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ANNUAL STATEMENT

For the Year Ended December 31, 2015

of the Condition and Affairs of the

PROGRESSIVE SPECIALTY INSURANCE COMPANY

NAIC Group Code.....155, 155 (Current Period) (Prior Period) NAIC Company Code..... 32786 Employer's ID Number..... 34-1172685

Organized under the Laws of OH State of Domicile or Port of Entry OH Country of Domicile US

Incorporated/Organized..... August 4, 1975 Commenced Business..... May 26, 1976

Statutory Home Office 6300 WILSON MILLS ROAD, W33….. CLEVELAND ..... OH ..... US 44143-2182
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 6300 WILSON MILLS ROAD, W33….. CLEVELAND ..... OH ..... US..... 44143-2182 440-461-5000
(Street and Number) (City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address P.O. BOX 89490….. CLEVELAND ..... OH ..... US 44101-6490
(Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 6300 WILSON MILLS ROAD, W33….. CLEVELAND ..... OH ..... US 44143-2182 440-395-4460
(Street and Number) (City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Internet Web Site Address PROGRESSIVE.COM

Statutory Statement Contact MARY BETH ANDREANO 440-395-4460
(Name) (Area Code) (Telephone Number) (Extension)
FINANCIAL_REPORTING@PROGRESSIVE.COM 440-603-5500
(E-Mail Address) (Fax Number)

POLICYHOLDER SERVICES AND CLAIMS REPORTING -- 1-800-PROGRESSIVE (1-800-776-4737)

OFFICERS

Name	Title	Name	Title
GEOFFREY THOMAS SOUSER #	PRESIDENT	PETER JAMES ALBERT	SECRETARY
THOMAS ALFRED KING	TREASURER		

OTHER

PETER JAMES ALBERT	(VICE PRESIDENT)	MARY BETH ANDREANO	(VICE PRESIDENT)
KAREN BARONE BAILO	(VICE PRESIDENT)	KATHLEEN MARY CERNY	(ASST. SECRETARY)
CHRISTINA LYNN CREWS #	(ASST. SECRETARY)	HEATHER ELIZABETH DAY #	(VICE PRESIDENT)
JAMES LEE KUSMER	(ASST. TREASURER)		

DIRECTORS OR TRUSTEES

KAREN BARONE BAILO	KATHRYN MARGARET LEMIEUX	MARK DONALD NIEHAUS	DAVID LLOYD PRATT
GEOFFREY THOMAS SOUSER #			

State of........ OHIO
County of..... CUYAHOGA

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC *Annual Statement Instructions* and *Accounting Practices and Procedures* manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

(Signature)	(Signature)	(Signature)
GEOFFREY THOMAS SOUSER #	CHRISTINA LYNN CREWS #	THOMAS ALFRED KING
1. (Printed Name)	2. (Printed Name)	3. (Printed Name)
PRESIDENT	ASSISTANT SECRETARY	TREASURER
(Title)	(Title)	(Title)

Subscribed and sworn to before me
This 16TH day of FEBRUARY, 2016

a. Is this an original filing? Yes [X] No [ ]
b. If no
1. State the amendment number
2. Date filed
3. Number of pages attached

ASSETS

		Current Year			Prior Year
		1	2	3	4
		Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1.	Bonds (Schedule D)	352,896,543		352,896,543	459,986,986
2.	Stocks (Schedule D):				
	2.1 Preferred stocks	22,604,775		22,604,775	23,384,775
	2.2 Common stocks	146,508,550		146,508,550	147,603,154
3.	Mortgage loans on real estate (Schedule B):				
	3.1 First liens			0	
	3.2 Other than first liens			0	
4.	Real estate (Schedule A):				
	4.1 Properties occupied by the company (less $..........0 encumbrances)			0	
	4.2 Properties held for the production of income (less $..........0 encumbrances)			0	
	4.3 Properties held for sale (less $..........0 encumbrances)			0	
5.	Cash ($..........0, Schedule E-Part 1), cash equivalents ($.....79,992,320, Schedule E-Part 2) and short-term investments ($.....140,165, Schedule DA)	80,132,485		80,132,485	139,019
6.	Contract loans (including $..........0 premium notes)			0	
7.	Derivatives (Schedule DB)			0	
8.	Other invested assets (Schedule BA)	8,582,565	8,582,565	0	0
9.	Receivables for securities	8,830		8,830	
10.	Securities lending reinvested collateral assets (Schedule DL)			0	
11.	Aggregate write-ins for invested assets	0	0	0	0
12.	Subtotals, cash and invested assets (Lines 1 to 11)	610,733,748	8,582,565	602,151,183	631,113,934
13.	Title plants less $..........0 charged off (for Title insurers only)			0	
14.	Investment income due and accrued	2,512,076		2,512,076	3,384,360
15.	Premiums and considerations:				
	15.1 Uncollected premiums and agents' balances in the course of collection	42,932,368	9,585,404	33,346,964	30,688,424
	15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $..........0 earned but unbilled premiums)	183,653,707		183,653,707	173,161,532
	15.3 Accrued retrospective premiums ($..........0) and contracts subject to redetermination ($..........0)			0	
16.	Reinsurance:				
	16.1 Amounts recoverable from reinsurers	3,538,610		3,538,610	4,757,629
	16.2 Funds held by or deposited with reinsured companies			0	
	16.3 Other amounts receivable under reinsurance contracts			0	
17.	Amounts receivable relating to uninsured plans			0	
18.1	Current federal and foreign income tax recoverable and interest thereon			0	
18.2	Net deferred tax asset	2,473,510		2,473,510	246,620
19.	Guaranty funds receivable or on deposit			0	
20.	Electronic data processing equipment and software			0	
21.	Furniture and equipment, including health care delivery assets ($..........0)			0	
22.	Net adjustment in assets and liabilities due to foreign exchange rates			0	
23.	Receivables from parent, subsidiaries and affiliates	36,729,658		36,729,658	36,667,407
24.	Health care ($..........0) and other amounts receivable			0	
25.	Aggregate write-ins for other than invested assets	4,196,986	3,853,840	343,146	154,275
26.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	886,770,663	22,021,809	864,748,854	880,174,181
27.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	
28.	TOTALS (Lines 26 and 27)	886,770,663	22,021,809	864,748,854	880,174,181

DETAILS OF WRITE-INS

1101.			0	
1102.			0	
1103.			0	
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above)	0	0	0	0
2501. STATE TAX CREDITS	187,460		187,460	
2502. EQUITIES AND DEPOSITS IN POOLS AND ASSOCIATIONS	155,686		155,686	154,275
2503. MISCELLANEOUS OTHER ASSETS	3,701,597	3,701,597	0	
2598. Summary of remaining write-ins for Line 25 from overflow page	152,243	152,243	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above)	4,196,986	3,853,840	343,146	154,275

LIABILITIES, SURPLUS AND OTHER FUNDS

		1 Current Year	2 Prior Year
1.	Losses (Part 2A, Line 35, Column 8)	244,947,660	233,754,652
2.	Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)	1,261,920	3,828,289
3.	Loss adjustment expenses (Part 2A, Line 35, Column 9)	51,556,346	47,969,298
4.	Commissions payable, contingent commissions and other similar charges	1,079,201	878,977
5.	Other expenses (excluding taxes, licenses and fees)	31,927,515	27,365,194
6.	Taxes, licenses and fees (excluding federal and foreign income taxes)	4,444,765	5,075,270
7.1	Current federal and foreign income taxes (including $.....(101,154) on realized capital gains (losses))	5,119,666	7,480,180
7.2	Net deferred tax liability		
8.	Borrowed money $..........0 and interest thereon $..........0		
9.	Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of $.....329,748,207 and including warranty reserves of $..........0 and accrued accident and health experience rating refunds including $..........0 for medical loss ratio rebate per the Public Health Service Act)	216,022,632	199,580,391
10.	Advance premium	5,177,213	5,242,282
11.	Dividends declared and unpaid:		
	11.1 Stockholders		
	11.2 Policyholders		
12.	Ceded reinsurance premiums payable (net of ceding commissions)	(2,538,016)	(2,254,368)
13.	Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19)		
14.	Amounts withheld or retained by company for account of others	674,019	437,819
15.	Remittances and items not allocated		
16.	Provision for reinsurance (including $...........0 certified) (Schedule F, Part 8)		
17.	Net adjustments in assets and liabilities due to foreign exchange rates		
18.	Drafts outstanding	36,686,867	34,908,606
19.	Payable to parent, subsidiaries and affiliates		
20.	Derivatives		
21.	Payable for securities		
22.	Payable for securities lending		
23.	Liability for amounts held under uninsured plans		
24.	Capital notes $...........0 and interest thereon $..........0		
25.	Aggregate write-ins for liabilities	1,993,439	1,762,513
26.	Total liabilities excluding protected cell liabilities (Lines 1 through 25)	598,353,227	566,029,103
27.	Protected cell liabilities		
28.	Total liabilities (Lines 26 and 27)	598,353,227	566,029,103
29.	Aggregate write-ins for special surplus funds	0	0
30.	Common capital stock	3,500,000	3,500,000
31.	Preferred capital stock		
32.	Aggregate write-ins for other than special surplus funds	0	0
33.	Surplus notes		
34.	Gross paid in and contributed surplus	167,973,033	144,991,747
35.	Unassigned funds (surplus)	94,922,594	165,653,331
36.	Less treasury stock, at cost:		
	36.1 ....0.000 shares common (value included in Line 30 $..........0)		
	36.2 ....0.000 shares preferred (value included in Line 31 $..........0)		
37.	Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39)	266,395,627	314,145,078
38.	TOTALS (Page 2, Line 28, Col. 3)	864,748,854	880,174,181

DETAILS OF WRITE-INS

2501.	OTHER LIABILITIES	1,467,260	1,448,803
2502.	ESCHEATABLE PROPERTY	526,179	308,724
2503.	UNEARNED FEE RESERVE		4,986
2598.	Summary of remaining write-ins for Line 25 from overflow page	0	0
2599.	Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above)	1,993,439	1,762,513
2901.			
2902.			
2903.			
2998.	Summary of remaining write-ins for Line 29 from overflow page	0	0
2999.	Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above)	0	0
3201.			
3202.			
3203.			
3298.	Summary of remaining write-ins for Line 32 from overflow page	0	0
3299.	Totals (Lines 3201 thru 3203 plus 3298) (Line 32 above)	0	0

STATEMENT OF INCOME

		1 Current Year	2 Prior Year
	UNDERWRITING INCOME		
1.	Premiums earned (Part 1, Line 35, Column 4)	705,023,357	694,963,047
	DEDUCTIONS		
2.	Losses incurred (Part 2, Line 35, Column 7)	431,971,860	428,488,806
3.	Loss adjustment expenses incurred (Part 3, Line 25, Column 1)	73,145,352	70,531,566
4.	Other underwriting expenses incurred (Part 3, Line 25, Column 2)	148,217,381	144,098,270
5.	Aggregate write-ins for underwriting deductions	0	0
6.	Total underwriting deductions (Lines 2 through 5)	653,334,593	643,118,642
7.	Net income of protected cells		
8.	Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)	51,688,764	51,844,405
	INVESTMENT INCOME		
9.	Net investment income earned (Exhibit of Net Investment Income, Line 17)	12,716,994	13,687,860
10.	Net realized capital gains (losses) less capital gains tax of $.....877,875 (Exhibit of Capital Gains (Losses))	152,407	5,134,692
11.	Net investment gain (loss) (Lines 9 + 10)	12,869,401	18,822,552
	OTHER INCOME		
12.	Net gain (loss) from agents' or premium balances charged off (amount recovered $.....979,963 amount charged off $.....19,295,285)	(18,315,322)	(18,391,907)
13.	Finance and service charges not included in premiums	26,442,446	28,013,864
14.	Aggregate write-ins for miscellaneous income	692,477	1,230,216
15.	Total other income (Lines 12 through 14)	8,819,601	10,852,173
16.	Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	73,377,766	81,519,130
17.	Dividends to policyholders		
18.	Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	73,377,766	81,519,130
19.	Federal and foreign income taxes incurred	25,074,286	24,587,844
20.	Net income (Line 18 minus Line 19) (to Line 22)	48,303,480	56,931,286
	CAPITAL AND SURPLUS ACCOUNT		
21.	Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	314,145,078	386,224,272
22.	Net income (from Line 20)	48,303,480	56,931,286
23.	Net transfers (to) from Protected Cell accounts		
24.	Change in net unrealized capital gains or (losses) less capital gains tax of $.....(1,452,270)	(2,696,361)	6,553,366
25.	Change in net unrealized foreign exchange capital gain (loss)		
26.	Change in net deferred income tax	774,620	(2,304,452)
27.	Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Column 3)	887,524	1,474,608
28.	Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)		
29.	Change in surplus notes		
30.	Surplus (contributed to) withdrawn from protected cells		
31.	Cumulative effect of changes in accounting principles		
32.	Capital changes:		
	32.1 Paid in		
	32.2 Transferred from surplus (Stock Dividend)		
	32.3 Transferred to surplus		
33.	Surplus adjustments:		
	33.1 Paid in	22,981,286	15,265,998
	33.2 Transferred to capital (Stock Dividend)		
	33.3. Transferred from capital		
34.	Net remittances from or (to) Home Office		
35.	Dividends to stockholders	(118,000,000)	(150,000,000)
36.	Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1)		
37.	Aggregate write-ins for gains and losses in surplus	0	0
38.	Change in surplus as regards policyholders for the year (Lines 22 through 37)	(47,749,451)	(72,079,194)
39.	Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37)	266,395,627	314,145,078

DETAILS OF WRITE-INS

0501.			
0502.			
0503.			
0598.	Summary of remaining write-ins for Line 5 from overflow page	0	0
0599.	Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)	0	0
1401.	MISCELLANEOUS INCOME	647,692	1,174,472
1402.	INTEREST INCOME ON INTERCOMPANY BALANCES	29,926	14,580
1403.	SERVICE BUSINESS REVENUE	14,859	41,164
1498.	Summary of remaining write-ins for Line 14 from overflow page	0	0
1499.	Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above)	692,477	1,230,216
3701.			
3702.			
3703.			
3798.	Summary of remaining write-ins for Line 37 from overflow page	0	0
3799.	Totals (Lines 3701 thru 3703 plus 3798) (Line 37 above)	0	0

CASH FLOW

		1 Current Year	2 Prior Year
	CASH FROM OPERATIONS		
1.	Premiums collected net of reinsurance	708,531,846	689,619,242
2.	Net investment income	15,797,823	16,872,369
3.	Miscellaneous income	9,044,016	11,045,244
4.	Total (Lines 1 through 3)	733,373,685	717,536,855
5.	Benefit and loss related payments	422,126,202	422,033,533
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7.	Commissions, expenses paid and aggregate write-ins for deductions	213,642,658	208,357,449
8.	Dividends paid to policyholders		
9.	Federal and foreign income taxes paid (recovered) net of $.....880,278 tax on capital gains (losses)	28,312,675	24,548,832
10.	Total (Lines 5 through 9)	664,081,535	654,939,814
11.	Net cash from operations (Line 4 minus Line 10)	69,292,150	62,597,041
	CASH FROM INVESTMENTS		
12.	Proceeds from investments sold, matured or repaid:		
	12.1 Bonds	397,744,149	284,464,683
	12.2 Stocks	2,064,478	19,595,198
	12.3 Mortgage loans		
	12.4 Real estate		
	12.5 Other invested assets	250,000	189,000
	12.6 Net gains or (losses) on cash, cash equivalents and short-term investments		
	12.7 Miscellaneous proceeds		
	12.8 Total investment proceeds (Lines 12.1 to 12.7)	400,058,627	304,248,881
13.	Cost of investments acquired (long-term only):		
	13.1 Bonds	291,358,367	220,606,206
	13.2 Stocks	4,813,809	4,986,683
	13.3 Mortgage loans		
	13.4 Real estate		
	13.5 Other invested assets		
	13.6 Miscellaneous applications	8,830	
	13.7 Total investments acquired (Lines 13.1 to 13.6)	296,181,006	225,592,889
14.	Net increase (decrease) in contract loans and premium notes		
15.	Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14)	103,877,621	78,655,992
	CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
16.	Cash provided (applied):		
	16.1 Surplus notes, capital notes		
	16.2 Capital and paid in surplus, less treasury stock	22,981,286	15,265,998
	16.3 Borrowed funds		
	16.4 Net deposits on deposit-type contracts and other insurance liabilities		
	16.5 Dividends to stockholders	118,000,000	150,000,000
	16.6 Other cash provided (applied)	1,842,409	(6,816,838)
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(93,176,305)	(141,550,840)
	RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18.	Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17)	79,993,466	(297,807)
19.	Cash, cash equivalents and short-term investments:		
	19.1 Beginning of year	139,019	436,826
	19.2 End of year (Line 18 plus Line 19.1)	80,132,485	139,019

Note: Supplemental disclosures of cash flow information for non-cash transactions:

20.0001			

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS EARNED

	Line of Business	1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums December 31 Prior Year- per Col. 3, Last Year's Part 1	3 Unearned Premiums December 31 Current Year- per Col. 5, Part 1A	4 Premiums Earned During Year (Cols. 1 + 2 - 3)
1.	Fire				0
2.	Allied lines				0
3.	Farmowners multiple peril				0
4.	Homeowners multiple peril	2,936,705	1,342,169	1,533,483	2,745,392
5.	Commercial multiple peril				0
6.	Mortgage guaranty				0
8.	Ocean marine				0
9.	Inland marine	12,707,691	5,443,078	6,008,157	12,142,612
10.	Financial guaranty				0
11.1	Medical professional liability - occurrence				0
11.2	Medical professional liability - claims-made	2,100	167	173	2,094
12.	Earthquake				0
13.	Group accident and health				0
14.	Credit accident and health (group and individual)				0
15.	Other accident and health				0
16.	Workers' compensation				0
17.1	Other liability - occurrence	4,711,505	2,188,311	2,233,099	4,666,717
17.2	Other liability - claims-made	(11,208)	5,086	3,179	(9,301)
17.3	Excess workers' compensation				0
18.1	Products liability - occurrence				0
18.2	Products liability - claims-made				0
19.1, 19.2	Private passenger auto liability	403,544,499	103,281,514	108,209,592	398,616,421
19.3, 19.4	Commercial auto liability	49,863,643	19,806,780	24,845,065	44,825,358
21.	Auto physical damage	247,709,762	67,512,968	73,189,514	242,033,216
22.	Aircraft (all perils)				0
23.	Fidelity				0
24.	Surety	902	318	371	849
26.	Burglary and theft				0
27.	Boiler and machinery				0
28.	Credit				0
29.	International				0
30.	Warranty				0
31.	Reinsurance - nonproportional assumed property				0
32.	Reinsurance - nonproportional assumed liability				0
33.	Reinsurance - nonproportional assumed financial lines				0
34.	Aggregate write-ins for other lines of business	0	0	0	0
35.	TOTALS	721,465,600	199,580,390	216,022,632	705,023,358

DETAILS OF WRITE-INS

3401.					0
3402.					0
3403.					0
3498.	Summary of remaining write-ins for Line 34 from overflow page	0	0	0	0
3499.	Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above)	0	0	0	0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1A - RECAPITULATION OF ALL PREMIUMS

	Line of Business	1 Amount Unearned (Running One Year or Less from Date of Policy) (a)	2 Amount Unearned (Running More Than One Year from Date of Policy) (a)	3 Earned But Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1.	Fire					0
2.	Allied lines					0
3.	Farmowners multiple peril					0
4.	Homeowners multiple peril	1,533,483				1,533,483
5.	Commercial multiple peril					0
6.	Mortgage guaranty					0
8.	Ocean marine					0
9.	Inland marine	6,008,157				6,008,157
10.	Financial guaranty					0
11.1	Medical professional liability - occurrence					0
11.2	Medical professional liability - claims-made	173				173
12.	Earthquake					0
13.	Group accident and health					0
14.	Credit accident and health (group and individual)					0
15.	Other accident and health					0
16.	Workers' compensation					0
17.1	Other liability - occurrence	2,233,099				2,233,099
17.2	Other liability - claims-made	1,439	1,741			3,179
17.3	Excess workers' compensation					0
18.1	Products liability - occurrence					0
18.2	Products liability - claims-made					0
19.1, 19.2	Private passenger auto liability	108,209,592				108,209,592
19.3, 19.4	Commercial auto liability	24,845,065				24,845,065
21.	Auto physical damage	73,189,514				73,189,514
22.	Aircraft (all perils)					0
23.	Fidelity					0
24.	Surety	371				371
26.	Burglary and theft					0
27.	Boiler and machinery					0
28.	Credit					0
29.	International					0
30.	Warranty					0
31.	Reinsurance - nonproportional assumed property					0
32.	Reinsurance - nonproportional assumed liability					0
33.	Reinsurance - nonproportional assumed financial lines					0
34.	Aggregate write-ins for other lines of business	0	0	0	0	0
35.	TOTALS	216,020,892	1,741	0	0	216,022,632
36.	Accrued retrospective premiums based on experience					
37.	Earned but unbilled premiums					0
38.	Balance (sum of Lines 35 through 37)					216,022,632

DETAILS OF WRITE-INS

		1	2	3	4	5
3401.						0
3402.						0
3403.						0
3498.	Summary of remaining write-ins for Line 34 from overflow page	0	0	0	0	0
3499.	Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above)	0	0	0	0	0

(a) State here basis of computation used in each case: Pro Rata

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B - PREMIUMS WRITTEN

	Line of Business	1 Direct Business (a)	Reinsurance Assumed 2 From Affiliates	Reinsurance Assumed 3 From Non-Affiliates	Reinsurance Ceded 4 To Affiliates	Reinsurance Ceded 5 To Non-Affiliates	6 Net Premiums Written (Cols. 1 + 2 + 3 - 4 - 5)
1.	Fire						0
2.	Allied lines						0
3.	Farmowners multiple peril						0
4.	Homeowners multiple peril	11,154,131	2,936,705		11,142,868	11,263	2,936,705
5.	Commercial multiple peril						0
6.	Mortgage guaranty						0
8.	Ocean marine						0
9.	Inland marine	12,773,902	12,707,691		12,773,902		12,707,691
10.	Financial guaranty						0
11.1	Medical professional liability - occurrence						0
11.2	Medical professional liability - claims-made		2,100				2,100
12.	Earthquake						0
13.	Group accident and health						0
14.	Credit accident and health (group and individual)						0
15.	Other accident and health						0
16.	Workers' compensation						0
17.1	Other liability - occurrence	5,041,740	4,711,505		4,448,754	592,986	4,711,505
17.2	Other liability - claims-made		(11,208)				(11,208)
17.3	Excess workers' compensation						0
18.1	Products liability - occurrence						0
18.2	Products liability - claims-made						0
19.1, 19.2	Private passenger auto liability	680,761,762	403,544,499		680,761,762		403,544,499
19.3, 19.4	Commercial auto liability	29,189,702	49,863,642		29,169,169	20,532	49,863,643
21.	Auto physical damage	395,017,614	247,709,762		395,017,614		247,709,762
22.	Aircraft (all perils)						0
23.	Fidelity						0
24.	Surety		902				902
26.	Burglary and theft						0
27.	Boiler and machinery						0
28.	Credit						0
29.	International						0
30.	Warranty						0
31.	Reinsurance - nonproportional assumed property	XXX					0
32.	Reinsurance - nonproportional assumed liability	XXX					0
33.	Reinsurance - nonproportional assumed financial lines	XXX					0
34.	Aggregate write-ins for other lines of business	0	0	0	0	0	0
35.	TOTALS	1,133,938,851	721,465,599	0	1,133,314,069	624,781	721,465,600

DETAILS OF WRITE-INS

		1	2	3	4	5	6
3401.							0
3402.							0
3403.							0
3498.	Summary of remaining write-ins for Line 34 from overflow page	0	0	0	0	0	0
3499.	Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above)	0	0	0	0	0	0

(a) Does the company's direct premiums written include premiums recorded on an installment basis? Yes [ ] No [X]

If yes: 1. The amount of such installment premiums $..........0.

2. Amount at which such installment premiums would have been reported had they been recorded on an annualized basis $..........0.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - LOSSES PAID AND INCURRED

	Line of Business	Losses Paid Less Salvage 1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Cols. 1 + 2 - 3)	5 Net Losses Unpaid Current Year (Part 2A, Col. 8)	6 Net Losses Unpaid Prior Year	7 Losses Incurred Current Year (Cols. 4 + 5 - 6)	8 Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
1.	Fire				0			0	0.0
2.	Allied lines				0			0	0.0
3.	Farmowners multiple peril				0			0	0.0
4.	Homeowners multiple peril	3,626,930	1,073,724	3,626,930	1,073,724	260,575	206,623	1,127,677	41.1
5.	Commercial multiple peril				0			0	0.0
6.	Mortgage guaranty				0			0	0.0
8.	Ocean marine				0			0	0.0
9.	Inland marine	5,195,476	4,888,149	5,195,476	4,888,149	583,264	563,935	4,907,478	40.4
10.	Financial guaranty				0			0	0.0
11.1	Medical professional liability - occurrence				0			0	0.0
11.2	Medical professional liability - claims-made				0	105	107	(3)	(0.1)
12.	Earthquake				0			0	0.0
13.	Group accident and health				0			0	0.0
14.	Credit accident and health (group and individual)				0			0	0.0
15.	Other accident and health				0			0	0.0
16.	Workers' compensation		3,087		3,087	134,606	137,693	0	0.0
17.1	Other liability - occurrence	1,526,502	1,362,545	1,526,502	1,362,545	2,868,128	2,918,428	1,312,245	28.1
17.2	Other liability - claims-made		263,396		263,396	84,582	239,482	108,496	(1,166.5)
17.3	Excess workers' compensation				0			0	0.0
18.1	Products liability - occurrence				0			0	0.0
18.2	Products liability - claims-made				0			0	0.0
19.1, 19.2	Private passenger auto liability	382,216,074	237,360,958	382,216,074	237,360,958	205,568,262	196,497,409	246,431,811	61.8
19.3, 19.4	Commercial auto liability	14,013,937	20,724,490	14,013,937	20,724,490	33,705,013	31,731,546	22,697,957	50.6
21.	Auto physical damage	251,756,571	155,100,306	251,756,571	155,100,306	1,261,561	981,014	155,380,854	64.2
22.	Aircraft (all perils)				0			0	0.0
23.	Fidelity		(14,464)		(14,464)	1,367	3,134	(16,232)	0.0
24.	Surety				0	215	436	(221)	(26.0)
26.	Burglary and theft				0			0	0.0
27.	Boiler and machinery				0			0	0.0
28.	Credit				0			0	0.0
29.	International				0			0	0.0
30.	Warranty				0			0	0.0
31.	Reinsurance - nonproportional assumed property	XXX			0			0	0.0
32.	Reinsurance - nonproportional assumed liability	XXX	16,661		16,661	479,980	474,845	21,795	0.0
33.	Reinsurance - nonproportional assumed financial lines	XXX			0			0	0.0
34.	Aggregate write-ins for other lines of business	0	0	0	0	0	0	0	0.0
35.	TOTALS	658,335,490	420,778,852	658,335,490	420,778,852	244,947,658	233,754,653	431,971,857	61.3

DETAILS OF WRITE-INS

		1	2	3	4	5	6	7	8
3401.					0			0	0.0
3402.					0			0	0.0
3403.					0			0	0.0
3498.	Summary of remaining write-ins for Line 34 from overflow page	0	0	0	0	0	0	0	XXX
3499.	Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above)	0	0	0	0	0	0	0	0.0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

		Reported Losses				Incurred But Not Reported			8	9
	Line of Business	1 Direct	2 Reinsurance Assumed	3 Deduct Reinsurance Recoverable	4 Net Losses Excluding Incurred but not Reported (Cols. 1 + 2 - 3)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded	Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	Net Unpaid Loss Adjustment Expenses
1.	Fire				0				0	
2.	Allied lines				0				0	
3.	Farmowners multiple peril				0				0	
4.	Homeowners multiple peril	478,147	164,606	478,147	164,606	332,464	95,970	332,464	260,575	60,674
5.	Commercial multiple peril				0				0	
6.	Mortgage guaranty				0				0	
8.	Ocean marine				0				0	
9.	Inland marine	328,233	300,487	328,233	300,487	286,434	282,779	286,435	583,264	117,443
10.	Financial guaranty				0				0	
11.1	Medical professional liability - occurrence				0				0	
11.2	Medical professional liability - claims-made				0		105		105	92
12.	Earthquake				0				0	
13.	Group accident and health				0				(a) 0	
14.	Credit accident and health (group and individual)				0				0	
15.	Other accident and health				0				(a) 0	
16.	Workers' compensation		134,606		134,606				134,606	6,891
17.1	Other liability - occurrence	2,072,098	1,888,910	2,072,098	1,888,910	1,447,871	979,218	1,447,871	2,868,128	450,231
17.2	Other liability - claims-made		32,357		32,357		52,225		84,582	15,499
17.3	Excess workers' compensation				0				0	
18.1	Products liability - occurrence				0				0	
18.2	Products liability - claims-made				0				0	
19.1, 19.2	Private passenger auto liability	277,412,364	160,198,265	277,412,364	160,198,265	66,746,530	45,369,997	66,746,530	205,568,262	43,141,093
19.3, 19.4	Commercial auto liability	22,022,319	28,246,138	22,022,319	28,246,138	3,100,852	5,458,874	3,100,852	33,705,013	5,759,035
21.	Auto physical damage	11,923,605	8,179,382	11,923,605	8,179,382	(11,867,978)	(6,917,820)	(11,867,977)	1,261,561	2,001,858
22.	Aircraft (all perils)				0				0	
23.	Fidelity		88		88		1,279		1,367	3,061
24.	Surety				0		215		215	469
26.	Burglary and theft				0				0	
27.	Boiler and machinery				0				0	
28.	Credit				0				0	
29.	International				0				0	
30.	Warranty				0				0	
31.	Reinsurance - nonproportional assumed property	XXX			0	XXX			0	
32.	Reinsurance - nonproportional assumed liability	XXX	107,518		107,518	XXX	372,462		479,980	
33.	Reinsurance - nonproportional assumed financial lines	XXX			0	XXX			0	
34.	Aggregate write-ins for other lines of business	0	0	0	0	0	0	0	0	0
35.	TOTALS	314,236,766	199,252,356	314,236,766	199,252,356	60,046,173	45,695,304	60,046,175	244,947,658	51,556,346

DETAILS OF WRITE-INS

3401.					0				0	
3402.					0				0	
3403.					0				0	
3498.	Summary of remaining write-ins for Line 34 from overflow page	0	0	0	0	0	0	0	0	0
3499.	Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above)	0	0	0	0	0	0	0	0	0

(a) Including $..........0 for present value of life indemnity claims.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1 Loss Adjustment Expenses	2 Other Underwriting Expenses	3 Investment Expenses	4 Total
1. Claim adjustment services:				
1.1 Direct	15,536,536			15,536,536
1.2 Reinsurance assumed	11,735,367			11,735,367
1.3 Reinsurance ceded	15,536,536			15,536,536
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3)	11,735,367	0	0	11,735,367
2. Commission and brokerage:				
2.1 Direct, excluding contingent		112,658,195		112,658,195
2.2 Reinsurance assumed, excluding contingent		66,849,209		66,849,209
2.3 Reinsurance ceded, excluding contingent		112,658,195		112,658,195
2.4 Contingent - direct		2,413,889		2,413,889
2.5 Contingent - reinsurance assumed		1,170,187		1,170,187
2.6 Contingent - reinsurance ceded		2,413,889		2,413,889
2.7 Policy and membership fees				0
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7)	0	68,019,396	0	68,019,396
3. Allowances to manager and agents		382,875		382,875
4. Advertising	8,909	7,491,021		7,499,930
5. Boards, bureaus and associations	195,203	342,838		538,041
6. Surveys and underwriting reports		4,639,919		4,639,919
7. Audit of assureds' records				0
8. Salary and related items:				
8.1 Salaries	41,271,485	30,760,472	447,853	72,479,809
8.2 Payroll taxes	2,888,494	2,120,554	13,825	5,022,873
9. Employee relations and welfare	7,141,018	4,904,002	17,889	12,062,909
10. Insurance	127,938	99,442		227,380
11. Directors' fees				0
12. Travel and travel items	1,862,180	760,345	2,475	2,624,999
13. Rent and rent items	2,600,076	2,845,880	10,086	5,456,043
14. Equipment	209,324	732,542		941,866
15. Cost or depreciation of EDP equipment and software	2,471,278	4,287,070	6,504	6,764,852
16. Printing and stationery	246,706	581,446	1,038	829,189
17. Postage, telephone and telegraph, exchange and express	1,885,033	4,255,385	2,716	6,143,135
18. Legal and auditing	388,629	557,237	82,481	1,028,347
19. Totals (Lines 3 to 18)	61,296,274	64,761,028	584,867	126,642,169
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of $.....4,874		11,828,453		11,828,453
20.2 Insurance department licenses and fees	78,998	675,186		754,184
20.3 Gross guaranty association assessments		13,265		13,265
20.4 All other (excluding federal and foreign income and real estate)	14,361	2,285,522		2,299,883
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)	93,359	14,802,426	0	14,895,785
21. Real estate expenses				0
22. Real estate taxes				0
23. Reimbursements by uninsured plans				0
24. Aggregate write-ins for miscellaneous expenses	20,352	634,531	96,595	751,479
25. Total expenses incurred	73,145,352	148,217,381	681,463	(a)...........222,044,195
26. Less unpaid expenses - current year	51,556,346	37,432,076	19,405	89,007,826
27. Add unpaid expenses - prior year	47,969,298	33,299,049	20,392	81,288,739
28. Amounts receivable relating to uninsured plans, prior year				0
29. Amounts receivable relating to uninsured plans, current year				0
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)	69,558,304	144,084,354	682,450	214,325,108

DETAILS OF WRITE-INS

	1	2	3	4
2401. MISCELLANEOUS EXPENSES	20,352	634,531	96,595	751,479
2402.				0
2403.				0
2498. Summary of remaining write-ins for Line 24 from overflow page	0	0	0	0
2499. Totals (Lines 2401 thru 2403 plus 2498) (Line 24 above)	20,352	634,531	96,595	751,479

(a) Includes management fees of $.....127,393,648 to affiliates and $.........0 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1 Collected During Year	2 Earned During Year
1.	U.S. government bonds	(a) 215,181	219,279
1.1	Bonds exempt from U.S. tax	(a) 1,950,487	1,518,770
1.2	Other bonds (unaffiliated)	(a) 7,289,437	6,826,653
1.3	Bonds of affiliates	(a)	
2.1	Preferred stocks (unaffiliated)	(b) 1,544,711	1,546,758
2.11	Preferred stocks of affiliates	(b)	
2.2	Common stocks (unaffiliated)	2,760,314	2,776,386
2.21	Common stocks of affiliates		
3.	Mortgage loans	(c)	
4.	Real estate	(d)	
5.	Contract loans		
6.	Cash, cash equivalents and short-term investments	(e) 30,610	30,610
7.	Derivative instruments	(f)	
8.	Other invested assets	480,000	480,000
9.	Aggregate write-ins for investment income	0	0
10.	Total gross investment income	14,270,740	13,398,456
11.	Investment expenses		(g) 681,463
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g)
13.	Interest expense		(h)
14.	Depreciation on real estate and other invested assets		(i) 0
15.	Aggregate write-ins for deductions from investment income		0
16.	Total deductions (Lines 11 through 15)		681,463
17.	Net investment income (Line 10 minus Line 16)		12,716,993

DETAILS OF WRITE-INS

		1	2
0901.			
0902.			
0903.			
0998.	Summary of remaining write-ins for Line 9 from overflow page	0	0
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above)	0	0
1501.			
1502.			
1503.			
1598.	Summary of remaining write-ins for Line 15 from overflow page		0
1599.	Totals (Lines 1501 thru 1503 plus 1598) (Line 15 above)		0

(a) Includes $.....267,395 accrual of discount less $.....2,476,927 amortization of premium and less $.....71,595 paid for accrued interest on purchases.
(b) Includes $..........0 accrual of discount less $..........0 amortization of premium and less $..........0 paid for accrued dividends on purchases.
(c) Includes $..........0 accrual of discount less $..........0 amortization of premium and less $..........0 paid for accrued interest on purchases.
(d) Includes $..........0 for company's occupancy of its own buildings; and excludes $..........0 interest on encumbrances.
(e) Includes $.....30,622 accrual of discount less $..........0 amortization of premium and less $..... paid for accrued interest on purchases.
(f) Includes $..........0 accrual of discount less $..........0 amortization of premium.
(g) Includes $..........0 investment expenses and $..........0 investment taxes, licenses and fees, excluding federal income taxes, attributable to Segregated and Separate Accounts.
(h) Includes $..........0 interest on surplus notes and $..........0 interest on capital notes.
(i) Includes $..........0 depreciation on real estate and $..........0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. government bonds	(7,706)		(7,706)		
1.1	Bonds exempt from U.S. tax	138,977		138,977		
1.2	Other bonds (unaffiliated)	1,333,085		1,333,085	40,517	
1.3	Bonds of affiliates			0		
2.1	Preferred stocks (unaffiliated)			0	(780,000)	
2.11	Preferred stocks of affiliates			0		
2.2	Common stocks (unaffiliated)	(434,074)		(434,074)	(3,409,859)	
2.21	Common stocks of affiliates			0		
3.	Mortgage loans			0		
4.	Real estate			0		
5.	Contract loans			0		
6.	Cash, cash equivalents and short-term investments			0		
7.	Derivative instruments			0		
8.	Other invested assets			0	711	
9.	Aggregate write-ins for capital gains (losses)	0	0	0	0	0
10.	Total capital gains (losses)	1,030,282	0	1,030,282	(4,148,631)	0

DETAILS OF WRITE-INS

		1	2	3	4	5
0901.				0		
0902.				0		
0903.				0		
0998.	Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0	0
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above)	0	0	0	0	0

EXHIBIT OF NONADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)			0
2. Stocks (Schedule D):			
2.1 Preferred stocks			0
2.2 Common stocks			0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			0
3.2 Other than first liens			0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			0
4.2 Properties held for the production of income			0
4.3 Properties held for sale			0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA)			0
6. Contract loans			0
7. Derivatives (Schedule DB)			0
8. Other invested assets (Schedule BA)	8,582,565	8,831,854	249,289
9. Receivables for securities			0
10. Securities lending reinvested collateral assets (Schedule DL)			0
11. Aggregate write-ins for invested assets	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	8,582,565	8,831,854	249,289
13. Title plants (for Title insurers only)			0
14. Investment income due and accrued			0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection	9,585,404	10,375,499	790,095
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due			0
15.3 Accrued retrospective premiums and contracts subject to redetermination			0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers			0
16.2 Funds held by or deposited with reinsured companies			0
16.3 Other amounts receivable under reinsurance contracts			0
17. Amounts receivable relating to uninsured plans			0
18.1 Current federal and foreign income tax recoverable and interest thereon			0
18.2 Net deferred tax asset			0
19. Guaranty funds receivable or on deposit			0
20. Electronic data processing equipment and software			0
21. Furniture and equipment, including health care delivery assets			0
22. Net adjustment in assets and liabilities due to foreign exchange rates			0
23. Receivables from parent, subsidiaries and affiliates			0
24. Health care and other amounts receivable			0
25. Aggregate write-ins for other than invested assets	3,853,840	3,701,980	(151,860)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25)	22,021,809	22,909,333	887,524
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0
28. TOTALS (Lines 26 and 27)	22,021,809	22,909,333	887,524

DETAILS OF WRITE-INS

1101.			0
1102.			0
1103.			0
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above)	0	0	0
2501. MISCELLANEOUS OTHER ASSETS	3,701,597	3,562,613	(138,984)
2502. PREPAID EXPENSES	152,243	139,367	(12,876)
2503.			0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above)	3,853,840	3,701,980	(151,860)

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

The accompanying statutory-basis financial statements of Progressive Specialty Insurance Company (the “Company”) were prepared on the basis of accounting practices prescribed or permitted by the Ohio Department of Insurance (“DOI”).

The Ohio DOI requires insurance companies domiciled in the state of Ohio to prepare their statutory-basis financial statements in accordance with the National Association of Insurance Commissioners’ (“NAIC”) *Accounting Practices and Procedures Manual* subject to any deviations prescribed or permitted by the Ohio DOI. No deviations from NAIC statutory accounting practices (“NAIC SAP”) were used in preparing these statutory-basis financial statements as illustrated in the table below:

Description	State of Domicile	2015	2014
Net income			
(1) Net income, state basis	OH	$ 48,303,480	$ 56,931,286
(2) Effect of state prescribed practices			
(3) Effect of state permitted practices			
(4) Net income, NAIC SAP basis (1-2-3=4)	OH	$ 48,303,480	$ 56,931,286
Surplus			
(5) Policyholders' surplus, state basis	OH	$ 266,395,627	$ 314,145,078
(6) Effect of state prescribed practices			
(7) Effect of state permitted practices			
(8) Policyholders' surplus, NAIC SAP basis (5-6-7=8)	OH	$ 266,395,627	$ 314,145,078

B. Use of Estimates

The Company is required to make estimates and assumptions when preparing its financial statements and accompanying notes in conformity with NAIC SAP. Actual results may differ from those estimates. Material estimates that are susceptible to significant changes in the near term include the loss and loss adjustment expense (“LAE”) reserves.

C. Accounting Policies

Insurance premiums written are being earned into income on a pro-rata basis over the period of risk based on a daily earnings convention. Unearned premiums are established to cover the unexpired portion of premiums written. The Company offers a variety of payment plans to meet individual customer needs. Generally, insurance premiums are collected in advance of providing risk coverage, minimizing the Company’s exposure to credit risk.

Acquisition costs, such as agents’ commissions, premium taxes, and other policy initiation costs, are charged to operations as incurred. Advertising costs are expensed as incurred.

Certain assets designated as “nonadmitted assets”, in accordance with Statement of Statutory Accounting Principles (“SSAP”) No. 4, Assets and Nonadmitted Assets, are reported on page 13, Exhibit of Nonadmitted Assets. The change in nonadmitted assets is charged directly against surplus as regards policyholders on page 4, Statement of Income, capital and surplus section.

In addition, the Company uses the following accounting policies:

Investments

- Cash and cash equivalents include bank accounts and certificates of deposit as well as short-term investments with original maturities of three months or less that are reported at amortized cost which approximates market value.

- Short-term investments include securities acquired within one year of maturity except for those with original maturities of three months or less (see cash and cash equivalents above) and are reported at amortized cost which approximates market value.

- Investment grade bond valuations are based on NAIC designations or NAIC Credit Rating Provider (“CRP”) designations from the Acceptable Rating Organization (“ARO”) list and are reported at amortized cost using the scientific method which closely approximates the effective interest method. Non-investment grade bond valuations are also based on NAIC designations or NAIC CRP-ARO designations and are reported at the lower of amortized cost or fair market value. Loan-backed and structured securities follow the guidance prescribed by SSAP No. 43R, Loan-backed and Structured Securities (“SSAP No. 43R”), for the determination of the bond valuation and reporting designation. The difference between the original cost and redemption value of these securities is recognized over the lives of the respective issues and included in net investment gain.

- Common stocks, other than investments in stocks of subsidiaries and affiliates, are reported at fair market values based on active market closing quotations from a regulated exchange. Changes in the fair market values of these securities are reflected directly as unrealized gains or losses in statutory surplus, net of deferred income taxes.

- Non-redeemable preferred stocks are reported at fair market values. Changes in the fair market values of these securities are reflected directly as unrealized gains or losses in statutory surplus, net of deferred income taxes. Investment grade redeemable preferred stocks are reported at amortized cost, while non-investment grade redeemable preferred stocks are reported at the lower of amortized cost or fair market value. The difference between the original cost and redemption value of the redeemable preferred securities is recognized using the scientific method, which closely approximates the effective interest method, over the lives of the respective issues and included in net investment gain.

- The fair market values reported are derived from independent and observable market input evaluations provided by reputable pricing services, independent broker/dealer bid lists, independent broker/dealer quotations, independent broker/dealer pricing services, or active market closing quotations from a regulated exchange. In very rare cases, if none of the aforementioned primary sources are available, matrix pricing using the reporting entity’s own market based assumptions may be utilized. The approved methods for computation of fair market value are prescribed in Part Five of the Securities Valuation Office Purposes and Procedures Manual.

- The Company has no investments in mortgage loans.

- Loan-backed and structured securities are accounted for as prescribed by SSAP No. 43R. These securities are generally stated at amortized cost as determined by the estimated value of future cash flows. Prepayment assumptions for loan-backed and structured debt securities are obtained from available market data, broker/dealers, and/or internal estimates, and are consistent with current interest rate and economic trends.

- The Company owns 100% of the surplus of Trussville/Cahaba, AL, LLC ("Trussville/Cahaba"), a non-insurance affiliate incorporated in Ohio that owns investment real estate. In accordance with SSAP No. 4 – Assets and Nonadmitted Assets, this investment is reported as other invested assets in the Company's statutory-basis financial statements (see Schedule BA). This investment is reported on the equity basis as prescribed in the *Accounting Practices and Procedures Manual* of the NAIC. See Note 21.C.1.

- The Company has no investments in derivatives.

- The Company may enter into repurchase agreements in which it borrows cash by providing certain underlying securities as collateral for the arrangement. The cash borrowed is invested in cash equivalents and an offsetting liability is established. The cash equivalent investment maturities and the term of the borrowing arrangement on the collateralized securities match, eliminating duration risk exposure to the Company. The Company did not have any open repurchase agreements at December 31, 2015 and December 31, 2014.

- Realized gains and losses on sales of securities are computed based on the first-in, first-out method.

- The Company's management routinely monitors individual securities in its investment portfolio for pricing changes that might indicate potential impairments and performs detailed reviews of securities with unrealized losses based on predetermined guidelines to determine whether a decline in the value of a security is other-than-temporary. A review for other-than-temporary impairment ("OTTI") requires making certain judgments regarding the materiality of the decline, its effect on the financial statements, the probability, extent, and timing of a valuation recovery, and the Company's ability and intent to hold the security. The scope of this review is broad and requires a forward-looking assessment of the fundamental characteristics of a security, as well as the market-related prospects of the issuer and its industry.

  Management assesses valuation declines to determine the extent to which such changes are attributable to (i) fundamental factors specific to the issuer, such as financial conditions, business prospects or other factors, or (ii) market-related factors such as interest rates or equity market declines (i.e., negative returns at either a sector index level or the broader market level), or (iii) credit-related losses where the present value of cash flows expected to be collected are lower than the amortized cost basis of the security (includes only those securities covered under SSAP No. 43R). This evaluation reflects management's assessment of current conditions, as well as predictions of uncertain future events that may have a material effect on the financial statements related to security valuation.

  When persuasive evidence exists that causes management to conclude that a decline in fair value is other-than-temporary, the book value of such security is written down and recognized as a realized loss. All other unrealized gains or losses are reflected in statutory surplus.

Loss, Loss Adjustment Expense, and Premium Deficiency Reserves

- Loss reserves represent the estimated liability on claims reported to the Company, plus reserves for losses incurred but not yet reported ("IBNR"). These estimates are reported net of amounts recoverable from salvage and subrogation. LAE reserves represent the estimated expenses required to settle reported claims and IBNR losses. Such loss and LAE reserves could be susceptible to significant change in the near term. The Company conducts extensive reviews each month on portions of its business to help ensure that the Company is meeting its objective of always having reserves that are adequate with minimal variation. Results would differ if different assumptions were made (see Notes 25 and 33).

- The Company does anticipate investment income when evaluating the need for premium deficiency reserves. See Note 30.

Capitalization of Assets

- Prepaid assets above a $100,000 threshold are capitalized. Under certain circumstances, the Company may decide to establish a prepaid expense for amounts less than the threshold. Prepaid assets are nonadmitted. There have been no changes to the written policy or predefined capitalization threshold from the prior year.

Pharmaceutical Rebate Receivables

- The Company does not write medical insurance or prescription drug coverage.

D. Going Concern

Management continuously monitors the Company's financial results and compliance with regulatory requirements and found no reason to expect the Company to not continue as a going concern.

2. Accounting Changes and Corrections of Errors

Not applicable

3. Business Combinations and Goodwill

Not applicable

4. Discontinued Operations

Not applicable

5. Investments

A. Mortgage Loans, Including Mezzanine Real Estate Loans

Not applicable

B. Troubled Debt Restructuring for Creditors

Not applicable

C. Reverse Mortgages

Not applicable

D. Loan-Backed Securities

1. The sources used to determine prepayment assumptions are derived from updated cash flows from widely utilized reputable industry sources. The Company's portfolio managers review the available cash flow data and prepayment assumptions and make adjustments based on current performance indicators on the underlying assets (e.g., delinquency rates, foreclosure rates, and default rates), credit support (via current levels of subordination), and historical credit ratings.

2. Intent to Sell or Inability to Hold Securities with a Recognized Other-Than-Temporary Impairment

Not applicable

3. The Company did not recognize any other-than-temporary impairment for loan-backed and structured debt securities during the current year.

4. As of December 31, 2015, the Company had $513,671 of gross unrealized losses in the Company's loan-backed and structured debt securities. The Company currently does not intend to sell the loan-backed and structured debt securities and determined that it is more likely than not that the Company will not be required to sell these securities for the period of time necessary to recover their cost basis. If the Company's strategy was to change and these securities were determined to be other-than-temporarily impaired, the Company would recognize a write-down in accordance with the Company's stated policy.

As of December 31, 2015, the composition of fair value and gross unrealized losses on loan-backed and structured debt securities by the length of time that individual securities have been in a continuous unrealized loss position is as follows:

Description	Amount
a. Aggregate amount of unrealized losses	
1. Less than twelve months	$ 253,022
2. Twelve months or longer	260,649
Total	$ 513,671
b. Aggregate fair value of securities with unrealized losses	
1. Less than twelve months	$ 76,766,895
2. Twelve months or longer	21,058,152
Total	$ 97,825,047

5. Under SSAP No. 43R, the Company analyzes its structured debt securities to determine if the Company intends to sell, or if it is more likely than not that the Company will be required to sell, the security prior to recovery and, if so, the Company writes down the security to its current fair market value with the entire amount of the write-down recorded as a realized loss. To the extent that it is more likely than not that the Company will hold the debt security until recovery (which could be maturity), the Company determines if any of the decline in value is due to a credit loss (i.e., where the present value of cash flows expected to be collected is lower than the amortized cost basis of the security) and, if so, the Company recognizes that portion of the impairment as a realized loss.

E. Repurchase Agreements and/or Securities Lending Transactions

Not applicable (see Note 1.C Investments)

F. Real Estate

Not applicable

G. Low Income Housing Tax Credits

Not applicable

NOTES TO FINANCIAL STATEMENTS

H. Restricted Assets

1. Restricted assets (including pledged) summarized by restricted asset category are as follows:

	Gross Restricted								Percentage	
	Current Year									
	1	2	3	4	5	6	7	8	9	10
Restricted Asset Category	Total General Account (G/A)	G/A Supporting Protected Cell Account Activity (a)	Total Protected Cell Account Restricted Assets	Protected Cell Account Assets Supporting G/A Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase/ (Decrease) (5 minus 6)	Total Current Year Admitted Restricted	Gross Restricted to Total Assets	Admitted Restricted to Total Admitted Assets
a. Subject to contractual obligation for which liability is not shown	$ --	$ --	$ --	$ --	$ --	$ --	$ --	$ --	0%	0%
b. Collateral held under security lending agreements	--	--	--	--	--	--	--	--	0%	0%
c. Subject to repurchase agreements	--	--	--	--	--	--	--	--	0%	0%
d. Subject to reverse repurchase agreements	--	--	--	--	--	--	--	--	0%	0%
e. Subject to dollar repurchase agreements	--	--	--	--	--	--	--	--	0%	0%
f. Subject to dollar reverse repurchase agreements	--	--	--	--	--	--	--	--	0%	0%
g. Placed under option contracts	--	--	--	--	--	--	--	--	0%	0%
h. Letter stock or securities restricted as to sale – excluding FHLB capital stock	--	--	--	--	--	--	--	--	0%	0%
i. FHLB capital stock	--	--	--	--	--	--	--	--	0%	0%
j. On deposit with states	3,705,311	--	--	--	3,705,311	3,739,103	(33,792)	3,705,311	0.42%	0.43%
k. On deposit with other regulatory bodies	--	--	--	--	--	--	--	--	0%	0%
l. Pledged as collateral to FHLB (including assets backing funding agreements)	--	--	--	--	--	--	--	--	0%	0%
m. Pledged as collateral not captured in other categories	--	--	--	--	--	--	--	--	0%	0%
n. Other restricted assets	--	--	--	--	--	--	--	--	0%	0%
o. Total Restricted Assets	$ 3,705,311	$ --	$ --	$ --	$ 3,705,311	$ 3,739,103	$ (33,792)	$ 3,705,311	0.42%	0.43%

(a) Subset of column 1
(b) Subset of column 3

2. Detail of Assets Pledged as Collateral Not Captured in Other Categories (from above table)

Not applicable

3. Detail of Other Restricted Assets

Not applicable

I. Working Capital Finance Investments

Not applicable

J. Offsetting and Netting of Assets and Liabilities

Not applicable

K. Structured Notes

Not applicable

6. Joint Ventures, Partnerships and Limited Liability Companies

A. Detail for Those Greater than 10% of Admitted Assets

The Company has an investment in a limited liability company (“LLC”) but it does not exceed 10% of the Company's admitted assets (see Note 1.C).

B. Write-downs for Impairment of Joint Ventures, Partnerships, and LLC’s

The Company did not recognize any impairment write-down for its investment in the LLC during the statement periods.

NOTES TO FINANCIAL STATEMENTS

7. Investment Income

A. Accrued Investment Income

The Company nonadmits investment income due and accrued if the amounts are greater than 90 days past due.

B. Amounts Nonadmitted

Not applicable

8. Derivative Instruments

Not applicable

9. Income Taxes

A. Components of the net deferred tax asset (liability) ("DTA"/"(DTL)")

1. The components of the net DTA/(DTL) at December 31 are as follows:

	December 31, 2015			December 31, 2014			Change		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Ordinary	Capital	(Col 1+2)	Ordinary	Capital	(Col 4+5)	(Col 1-4) Ordinary	(Col 2-5) Capital	(Col 7+8)
Description	Income	Gain (Loss)	Total	Income	Gain (Loss)	Total	Income	Gain (Loss)	Total
(a) Gross deferred tax assets	$ 30,929,808	$ 12,417,543	$ 43,347,351	$ 29,852,103	$ 12,415,811	$ 42,267,914	$ 1,077,705	$ 1,732	$ 1,079,437
(b) Statutory valuation allowance adjustment	--	--	--	--	--	--	--	--	--
(c) Adjusted gross deferred tax assets	$ 30,929,808	$ 12,417,543	$ 43,347,351	$ 29,852,103	$ 12,415,811	$ 42,267,914	$ 1,077,705	$ 1,732	$ 1,079,437
(d) Deferred tax assets nonadmitted	--	--	--	--	--	--	--	--	--
(e) Subtotal (net deferred tax asset) (1c-1d)	$ 30,929,808	$ 12,417,543	$ 43,347,351	$ 29,852,103	$ 12,415,811	$ 42,267,914	$ 1,077,705	$ 1,732	$ 1,079,437
(f) Deferred tax liabilities	4,747,153	36,126,688	40,873,841	3,765,679	38,255,615	42,021,294	981,474	(2,128,927)	(1,147,453)
(g) Net admitted deferred tax assets (net deferred tax liability) (1e-1f)	$ 26,182,655	$ (23,709,145)	$ 2,473,510	$ 26,086,424	$ (25,839,804)	$ 246,620	$ 96,231	$ 2,130,659	$ 2,226,890

2. The admission calculation components of the DTA in accordance with SSAP No. 101, Income Taxes, are as follows:

	December 31, 2015			December 31, 2014			Change		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Ordinary	Capital	(Col 1+2)	Ordinary	Capital	(Col 4+5)	(Col 1-4) Ordinary	(Col 2-5) Capital	(Col 7+8)
Description	Income	Gain (Loss)	Total	Income	Gain (Loss)	Total	Income	Gain (Loss)	Total
(a) Federal income taxes paid in prior years recoverable through loss carrybacks	$ 29,243,847	$ --	$ 29,243,847	$ 28,004,342	$ --	$ 28,004,342	$ 1,239,505	$ --	$ 1,239,505
(b) Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from 2(a) above) after application of the threshold limitation. (The lesser of 2(b)1 and 2(b)2 below)	925,177	--	925,177	1,016,458	--	1,016,458	(91,281)	--	(91,281)
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date	925,177	--	925,177	1,016,458	--	1,016,458	(91,281)	--	(91,281)
2. Adjusted gross deferred tax assets allowed per limitation threshold			39,588,318			47,084,769			(7,496,451)
(c) Adjusted gross deferred tax assets(excluding the amount of deferred tax assets from 2(a) and 2(b) above) offset by gross deferred tax liabilities	760,784	12,417,543	13,178,327	831,303	12,415,811	13,247,114	(70,519)	1,732	(68,787)
(d) Deferred tax assets admitted as result of application of SSAP No. 101. Total (2(a)+2(b)+2(c)	$ 30,929,808	$ 12,417,543	$ 43,347,351	$ 29,852,103	$ 12,415,811	$ 42,267,914	$ 1,077,705	$ 1,732	$ 1,079,437

NOTES TO FINANCIAL STATEMENTS

3. Recovery period and threshold limitation information is as follows:

Description	2015	2014
(a) Ratio percentage used to determine recovery period and threshold limitation amount	981%	1140%
(b) Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above	$ 263,922,117	$ 313,898,458

4. The impact of tax planning strategies is as follows:

	December 31, 2015		December 31, 2014		Change	
	(1)	(2)	(3)	(4)	(5) (Col 1-3)	(6) (Col 2-4)
Description	Ordinary Income	Capital Gain (Loss)	Ordinary Income	Capital Gain (Loss)	Ordinary Income	Capital Gain (Loss)
(a) Determination of adjusted gross deferred tax assets and net admitted deferred tax assets, by tax character as a percentage						
1. Adjusted gross DTAs	$ 30,929,808	$ 12,417,543	$ 29,852,103	$ 12,415,811	$ 1,077,705	$ 1,732
2. % of adjusted gross DTAs attributable to the impact of tax planning strategies	0%	0%	0%	0%	0%	0%
3. Net admitted adjusted gross DTAs	$ 30,929,808	$ 12,417,543	$ 29,852,103	$ 12,415,811	$ 1,077,705	$ 1,732
4. % of net admitted adjusted gross DTAs admitted due to tax planning strategies	0%	0%	0%	0%	0%	0%

(b) Does the Company's tax planning strategies include the use of reinsurance? Yes ___ No X

B. Regarding deferred tax liabilities that are not recognized:

Not applicable

C. Current and deferred income taxes consist of the following major components:

1. Current Income Tax:

Description	(1) December 31, 2015	(2) December 31, 2014	(3) (Col 1-2) Change
(a) Federal	$ 25,074,286	$ 24,587,844	$ 486,442
(b) Foreign	--	--	--
(c) Subtotal	$ 25,074,286	$ 24,587,844	$ 486,442
(d) Federal income tax on net capital gains	877,875	1,672,482	(794,607)
(e) Utilization of capital loss carry-forwards	--	--	--
(f) Other	--	--	--
(g) Federal and foreign income taxes incurred	$ 25,952,161	$ 26,260,326	$ (308,165)

NOTES TO FINANCIAL STATEMENTS

2. Deferred Tax Assets:

Description	(1) December 31, 2015	(2) December 31, 2014	(3) (Col 1-2) Change
(a) Ordinary			
(1) Discounting of unpaid losses	$ 2,547,892	$ 2,786,418	$ (238,526)
(2) Unearned premium reserve	15,273,751	14,115,205	1,158,546
(3) Policyholder reserves	--	--	--
(4) Investments	--	--	--
(5) Deferred acquisition costs	--	--	--
(6) Policyholder dividend accrual	--	--	--
(7) Fixed assets	675,401	612,165	63,236
(8) Compensation and benefits accrual	5,727,804	5,523,755	204,049
(9) Pension accrual	--	--	--
(10) Receivables - nonadmitted	3,354,891	3,631,425	(276,534)
(11) Net operating loss carry-forward	--	--	--
(12) Tax credit carry-forward	--	--	--
(13) Other - nonadmitted assets	1,348,844	1,295,693	53,151
(14) Other - bad debt reserve	1,812,316	1,733,771	78,545
(15) Other (including items <5% of total ordinary tax assets)	188,909	153,671	35,238
(99) Subtotal	$ 30,929,808	$ 29,852,103	$ 1,077,705
(b) Statutory valuation allowance adjustment	--	--	--
(c) Nonadmitted	--	--	--
(d) Admitted ordinary deferred tax assets (2a99-2b-2c)	$ 30,929,808	$ 29,852,103	$ 1,077,705
(e) Capital			
(1) Investments	12,417,543	12,415,811	1,732
(2) Net capital loss carry-forward	--	--	--
(3) Real estate	--	--	--
(4) Other (including items <5% of total capital tax assets)	--	--	--
(99) Subtotal	$ 12,417,543	$ 12,415,811	$ 1,732
(f) Statutory valuation allowance adjustment	--	--	--
(g) Nonadmitted	--	--	--
(h) Admitted capital deferred tax assets (2e99-2f-2g)	$ 12,417,543	$ 12,415,811	$ 1,732
(i) Admitted deferred tax assets (2d+2h)	$ 43,347,351	$ 42,267,914	$ 1,079,437

3. Deferred Tax Liabilities:

Description	(1) December 31, 2015	(2) December 31, 2014	(3) (Col 1-2) Change
(a) Ordinary			
(1) Investments	$ 20,232	$ 18,890	$ 1,342
(2) Fixed assets	3,657,296	2,694,533	962,763
(3) Deferred and uncollected premium	--	--	--
(4) Policyholder reserves	--	--	--
(5) Other liabilities - prepaid expenses	807,471	763,018	44,453
(6) Other liabilities - salvage and subrogation	160,611	176,880	(16,269)
(7) Other (including items <5% of total ordinary tax liabilities)	101,543	112,358	(10,815)
(99) Subtotal	$ 4,747,153	$ 3,765,679	$ 981,474
(b) Capital			
(1) Investments	36,126,688	38,255,615	(2,128,927)
(2) Real estate	--	--	--
(3) Other (including items <5% of total capital tax assets)	--	--	--
(99) Subtotal	$ 36,126,688	$ 38,255,615	$ (2,128,927)
(c) Deferred tax liabilities (3a99+3b99)	$ 40,873,841	$ 42,021,294	$ (1,147,453)

4. Net Deferred Tax Asset (Liability) (2i – 3c):

Description	(1) December 31, 2015	(2) December 31, 2014	(3) (Col 1-2) Change
Net deferred tax asset (liability) (2i-3c)	$ 2,473,510	$ 246,620	$ 2,226,890

The change in net deferred income tax is comprised of the following (this analysis excludes nonadmitted assets; the change in nonadmitted assets is reported separately from the change in net deferred income tax in the Statement of Income, Surplus section):

Description	December 31, 2015	December 31, 2014	Change
Total deferred tax assets	$ 43,347,351	$ 42,267,914	$ 1,079,437
Total deferred tax liabilities	40,873,841	42,021,294	(1,147,453)
Net deferred tax asset (liability)	$ 2,473,510	$ 246,620	$ 2,226,890
Tax effect of unrealized gains (losses)			1,452,270
Change in net deferred income tax			$ 774,620

D. Reconciliation of Federal Income Tax Rate to Actual Effective Rate

The provision for Federal income taxes is different than that which would be obtained by applying the statutory Federal income tax rate to pre-tax income. The significant book to tax adjustments causing this difference are as follows:

Description	Tax Effect Amount	Effective Tax Rate
Provision computed at statutory rate	$ 25,989,474	35%
Exempt interest income	(451,551)	0%
Dividends received deduction	(570,263)	-1%
Impact of nonadmitted assets	223,383	0%
Other	(13,502)	0%
Total	$ 25,177,541	34%
Federal and foreign income taxes incurred	$ 25,952,161	
Change in net deferred income tax	(774,620)	
Total statutory income taxes	$ 25,177,541	

E. Operating Loss and Tax Credit Carryforwards

1. The Company has no operating loss or tax credit carryforwards available.

2. The amount of Federal income taxes incurred and available for recoupment by the Company in the event of future net losses is equal to approximately:

Period	Amount
Current tax year:	$ 24,823,144
First preceding tax year:	$ 26,264,359

The amounts that can be recouped may be subject to the alternative minimum tax rules, and therefore may be limited.

3. Protective Tax Deposits

Not applicable

F. Consolidated Federal Income Tax Return

1. The Company's Federal income tax return is consolidated with The Progressive Corporation ("TPC"), a publicly traded holding company incorporated in Ohio, and all of its wholly-owned United States subsidiaries (the "Group") as detailed in Schedule Y, Part 1.

2. The method of allocation between the companies is subject to written agreement and is jointly approved by an officer of TPC and the Company. The allocation is based upon separate tax return calculations with current credit for net losses or other items utilized in the consolidated tax return. Intercompany tax balances are settled quarterly.

G. Federal or Foreign Income Tax Loss Contingencies

The Company does not have any tax loss contingencies for which it is reasonably possible that the total liability will significantly increase within twelve months of the reporting date.

10. Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

A. Nature of Relationships

The Company is wholly owned by Progressive Casualty Insurance Company ("Casualty"), an insurance affiliate domiciled in Ohio. The structure of the holding company organization is shown on Schedule Y, Part 1.

B. Detail of Transactions Greater than ½% of Admitted Assets

All significant 2015 transactions by the Company or any affiliated insurer with any affiliate are summarized in Schedule Y, Part 2.

See Note 13.4

C. Change in Terms of Intercompany Arrangements

Not applicable

D. Amounts Due to or from Related Parties

The Company reported a $36,729,658 and $36,667,407 receivable from parent, subsidiaries, and affiliates at December 31, 2015 and 2014, respectively. These balances are due to the timing of security purchases and cash collections and disbursements under the Group's centralized cash management system and the reinsurance and management agreements in which the Company participates. The Company also reported a $5,119,666 and $7,480,180 current Federal income tax payable at December 31, 2015 and 2014, respectively. These balances are due to TPC for the Company's Federal income tax liability. The intercompany balances are settled by the end of the following quarter depending on the timing of investment transactions. These transactions are dependent upon market timing, investment needs and overall portfolio strategy as to the timing of such settlement transactions.

E. Guarantees or Contingencies for Related Parties

Not applicable

F. Management, Service Contracts, Cost Sharing Arrangements

Management, operations and claims services are provided under a joint management services agreement with Casualty. Under the terms of the agreement, the Company is provided underwriting and loss adjustment services for business produced in exchange for a management fee based on the Company's use of services.

The Company participates in an investment services agreement with Progressive Capital Management Corp., a non-insurance affiliate. Under the terms of the agreement, the Company is provided investment and capital management services in exchange for an investment management fee based on its use of services.

All intercompany agreements are approved by the participating insurance companies' states of domicile when established.

G. Nature of Relationships that Could Affect Operations

All outstanding shares of the Company are owned by Casualty.

H. Amount Deducted for Investment in Upstream Company

Not applicable

I. Detail of Investments in Affiliates Greater than 10% of Admitted Assets

Not applicable

J. Write-Downs for Impairments of Investments in Affiliates

Not applicable

K. Investment in Foreign Insurance Subsidiary

Not applicable

L. Investment in Downstream Non-Insurance Holding Company

Not applicable

M. Subsidiary, Controlled and Affiliated Entities (except insurance subsidiary, controlled and affiliated entities) Value

The Company's investment in Trussville/Cahaba (see Notes 1.C and 21.C.1) has the following values on Page 2, Assets:

	December 31, 2015	December 31, 2014
Gross Asset	$ 8,582,565	$ 8,831,854
Nonadmitted Asset	8,582,565	8,831,854
Net Admitted Asset	$ --	$ --

N. Insurance Subsidiary, Controlled and Affiliated Entities Valuation That Departs From NAIC Statutory Accounting Practices and Procedures

Not applicable

11. Debt

Not applicable

12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans

The Company is one of three insurance companies along with several non-insurance companies in the Group that retain employees. The Company participates, but has no legal obligation or direct liability for expenses, in the following employee benefit plans:

A. Defined Benefit Plans

Not applicable

B-D. Description of Investment Policies, Fair Value of Plan Assets, Rate of Return Assumptions

TPC is responsible for postemployment benefits. See Note 12.G.

E. Defined Contribution Plans

TPC sponsors a defined contribution savings plan. See Note 12.G.

F. Multiemployer Plans

Not applicable

G. Consolidated / Holding Company Plans

TPC has a defined contribution pension plan ("401(k) Plan") which covers most employees who are United States residents and have been employed by TPC for at least 30 days. Under this plan, TPC matches up to a maximum of 6% of an employee's eligible compensation contributed to the plan. Employee and TPC matching contributions are invested, at the direction of the employee, in a number of investment options available under the plan, including various mutual funds, a self-directed brokerage option, and an employee stock ownership program within the 401(k) Plan.

TPC provides various postemployment benefits to former or inactive employees who meet eligibility requirements, and to their beneficiaries and covered dependents. Postemployment benefits include salary continuation and disability-related benefits, including workers' compensation, and, if elected, continuation of health-care benefits for specified limited periods.

TPC provides postretirement health and life insurance benefits to all employees who met requirements as to age and length of service at December 31, 1988. There are approximately 100 people who are eligible for these postretirement benefits. TPC's funding policy for these benefits is to contribute annually, to a 501(c)(9) trust, the maximum amount that can be deducted for Federal income tax purposes.

TPC's incentive compensation includes both non-equity incentive plans (cash) and equity incentive plans. Cash incentive compensation includes a cash bonus program for a limited number of senior executives and TPC's Gainsharing program for other employees; the structures of these programs are similar in nature. Equity incentive compensation plans provide for the granting of restricted stock awards and restricted stock unit awards to key members of management.

TPC's 2003 Incentive Plan has expired, and no new awards may be made under this plan; all awards granted prior to the plan's expiration have vested and no awards remain outstanding. In addition, TPC also grants equity-based awards under the 2010 and 2015 Equity Incentive Plans.

TPC maintains The Progressive Corporation Executive Deferred Compensation Plan, which permits eligible executives to defer receipt of some or all of their annual bonuses and all of their annual equity awards.

H. Postemployment Benefits and Compensated Absences

TPC is responsible for postemployment benefits. See Note 12.G.

I. Impact of Medicare Modernization Act on Postretirement Benefits

TPC is responsible for postretirement benefits. See Note 12.G.

The Company is allocated employee benefit expense based on the 100% pooling reinsurance agreement (see Note 26). The amount of employee benefit expense allocated to the Company was $2,633,403 and $2,655,359 in 2015 and 2014, respectively.

13. Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations

1. Outstanding Shares

The Company has 2,000 shares of $5,000 par value common stock authorized and 700 shares issued and outstanding. The Company has no preferred stock authorized, issued, or outstanding.

2. Dividend Rate of Preferred Stock

Not applicable

3,4,5,6. Dividends

The maximum amount of dividends the Company can pay to Casualty in 2016 without prior regulatory approval is limited by insurance laws in Ohio. Based on the dividend laws currently in effect, the Company may pay dividends of $48,303,480 in 2016 without prior approval from the Ohio DOI, provided the dividend payment is not made within 12 months of the previous payment.

Within the limitations described above, there are no additional restrictions placed on the portion of Company profits that may be paid as ordinary dividends to stockholders.

The Company paid dividends to Casualty as follows:

Date Paid	Amount Paid	Dividend Type
December 21, 2015	$ 56,900,000	Ordinary
December 21, 2015	$ 61,100,000	Extraordinary
December 19, 2014	$ 86,900,000	Ordinary
December 19, 2014	$ 63,100,000	Extraordinary

The extraordinary cash dividends were approved by the Ohio DOI.

7. Mutual Surplus Advances

Not applicable

8. Company Stock Held for Special Purposes

Not applicable

9. Changes in Special Surplus Funds

Not applicable

10. Changes in Unassigned Funds (Surplus)

As of December 31, 2015, the portion of unassigned funds (surplus) represented or reduced by each item below is as follows:

Description	Cumulative Increase (Decrease) in Surplus
Unrealized gain (loss)	$ 91,944,602
Nonadmitted assets	(22,021,809)
Provision for reinsurance	--
Total	$ 69,922,793
The unrealized gain is gross of the applicable deferred tax liability of	$ 32,110,273

11. Surplus Notes

Not applicable

12,13. Quasi Reorganizations

Not applicable

14. Liabilities, Contingencies and Assessments

A. Contingent Commitments

Not applicable

B. Assessments

The Company is subject to state guaranty fund and other assessments by the states in which it writes business. State guaranty fund assessments are accrued at the time of any known insolvencies. Other assessments are accrued either at the time of assessment or at the time the premiums are written. These accruals are based on information received from the states in which the Company writes business and may change due to many factors including the Company's share of the ultimate cost of current insolvencies.

As of December 31, 2015 and 2014, the Company's estimated liability for state guaranty fund and other assessments was $1,828,892 and $1,813,028, respectively. The Company did not recognize any premium tax benefit associated with its various assessments.

As of December 31, 2015 and 2014, the Company's estimated liability for various surcharges was $93,532 and $112,364, respectively.

C. Gain Contingencies

Not applicable

D. Claims Related Extra Contractual Obligations and Bad Faith Losses Stemming from Lawsuits

The Company paid the following amounts in 2015 to settle claims related extra contractual obligations ("ECO") or bad faith claims stemming from lawsuits:

Description	Direct
Claims related ECO and bad faith losses paid in 2015	$ 194,000

The table below indicates the number of claims where amounts were paid to settle claims related ECO or bad faith claims resulting from lawsuits during 2015.

(a)	(b)	(c)	(d)	(e)
0-25 Claims	26-50 Claims	51-100 Claims	101-500 Claims	More than 500 Claims
x				

(f) Per Claim [ ] (g) Per Claimant [x]

E. Product Warranties

Not applicable

F. Joint and Several Liabilities

Not applicable

G. All Other Contingencies

The Company routinely assesses the collectibility of premiums and agents' balances receivable and records a bad debt reserve for amounts exceeding the nonadmitted balance that the Company believes are uncollectible.

The Company is named as defendant in various lawsuits arising out of its insurance operations. All legal actions relating to claims made under insurance policies are considered by the Company in establishing its loss and LAE reserves. The Company also has, on a net basis, potential exposure relating to lawsuits due to its participation in a 100% pooling reinsurance agreement for which it is allocated litigation expenses (see Note 26).

The following is a discussion of potentially significant pending cases at December 31, 2015. Unless specifically noted, the Company does not consider a loss from these cases to be probable and is unable to estimate a range of loss, if any, at this time.

As of December 31, 2015, there were two putative statewide class action lawsuits and two cases consolidated into multi-district proceedings alleging that the Company improperly steers automobile repair work to certain auto body repair shops and challenging the labor rates the Company pays to auto body repair shops.

As of December 31, 2015, there was a putative class action lawsuit challenging the manner in which the Company grants a discount for anti-theft devices.

As of December 31, 2015, there were two putative class action lawsuits challenging the Company's practice in Florida of adjusting personal injury protection and first-party medical payments.

15. Leases

Not applicable

16. Information About Financial Instruments with Off-Balance Sheet Risk and with Concentrations of Credit Risk

Not applicable

17. Sale, Transfer, and Servicing of Financial Assets and Extinguishments of Liabilities

A. Transfers of Receivables Reported as Sales

Not applicable

B. Transfers and Servicing of Financial Assets

Not applicable

C. Wash Sales

The Company had no wash sales of securities with a NAIC rating of 3 or below during the year.

18. Gain or Loss from Uninsured Plans and the Uninsured Portion of Partially Insured Plans

Not applicable

NOTES TO FINANCIAL STATEMENTS

19. Direct Premiums Written / Produced by Managing General Agents / Third Party Administrators

Not applicable

20. Fair Value Measurements

A. Inputs Used for Assets and Liabilities Measured at Fair Value in the Company's Financial Statements

1. Fair Value Measurements by Levels 1, 2 and 3

The Company categorizes its financial instruments, based on the degree of subjectivity inherent in the method by which they are valued, into a fair value hierarchy of three levels, as follows:

Level 1 - Inputs are unadjusted, quoted prices in active markets for identical instruments at the measurement date (e.g., active exchange-traded equity securities).

Level 2 - Inputs (other than quoted prices included within Level 1) that are observable for the instrument either directly or indirectly. This includes: (i) quoted prices for similar instruments in active markets, (ii) quoted prices for identical or similar instruments in markets that are not active, (iii) inputs other than quoted prices that are observable for the instruments, and (iv) inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - Inputs that are unobservable. Unobservable inputs reflect the Company's subjective evaluation about the assumptions market participants would use in pricing the financial instrument.

See Note 1, Investment Policies section for further information regarding methods used to determine fair market value.

The Company's management evaluated whether the market was distressed or inactive in determining the fair value of the Company's securities and reviewed certain market level inputs to evaluate whether sufficient activity, volume, and new issuances existed to create an active market. Based on this evaluation, management concluded that there was sufficient activity in determining the fair market value of the Company's securities.

The valuations classified as either Level 1 or Level 2 in the table below are priced exclusively by external sources, including: pricing vendors, dealers/market makers, and exchange-quoted prices. The Company did not have any transfers between Level 1 and Level 2. At the end of each reporting period, the Company evaluates whether or not any event has occurred or circumstances have changed that would cause an instrument to be transferred into or out of Level 3.

Fair Value Measurements at December 31, 2015:

Asset Description	Level 1	Level 2	Level 3	Total
a. Assets on balance sheet at fair value				
Bonds industrial & miscellaneous	$ --	$ 75,788	$ --	$ 75,788
Common stock industrial & miscellaneous	146,508,550	--	--	146,508,550
Preferred stock industrial & miscellaneous	--	13,884,000	--	13,884,000
Total assets at fair value	$ 146,508,550	$ 13,959,788	$ --	$ 160,468,338
b. Liabilities on balance sheet at fair value				
Derivative liabilities	$ --	$ --	$ --	$ --
Total liabilities at fair value	$ --	$ --	$ --	$ --

This table excludes the Company's investment in Trussville/Cahaba as this investment is reported on the equity basis as described in the *Purposes and Procedures Manual of the Securities Valuation Office* of the NAIC.

2. Roll forward of Level 3 Items

Not applicable

3. Policy on Transfers Into and Out of Level 3

At the end of each reporting period, the Company evaluates whether or not any event has occurred or circumstances have changed that would cause an instrument to be transferred into or out of Level 3.

4. Inputs and Techniques Used for Level 2 and Level 3 Fair Values

See Note 20.A.1 above.

5. Derivative Fair Values

Not applicable

B. Other Fair Value Disclosures

Not applicable

C. Fair Values for all Financial Instruments by Levels 1, 2, and 3

The table below represents the fair value of all financial instruments at December 31, 2015, however, not all financial instruments are reported at fair value in the Company's financial statements.

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	Level 1	Level 2	Level 3	Not Practicable (Carrying Value)
Bonds	$ 354,308,114	$ 352,896,543	$ 38,644,536	$ 315,663,578	$ --	$ --
Cash equivalents	79,992,321	79,992,320	79,992,321	--	--	--
Common stock	146,508,550	146,508,550	146,508,550	--	--	--
Preferred stock	28,614,050	22,604,775	--	28,614,050	--	--
Short-term investments	140,165	140,165	140,165	--	--	--
Total	$ 609,563,200	$ 602,142,353	$ 265,285,572	$ 344,277,628	$ --	$ --

D. Financial Instruments for Which it is Not Practicable to Estimate Fair Values

Not applicable

21. Other Items

A. Unusual or Infrequent Items

Not applicable

B. Troubled Debt Restructuring for Debtors

Not applicable

C. Other Disclosures

1. Nonadmitted Other Invested Assets

In accordance with reporting and admissibility requirements of SSAP No. 48, Joint Ventures, Partnerships, and Limited Liability Companies and SSAP No. 97, Investments in Subsidiary, Controlled, and Affiliated Entities, the Company nonadmits its investment in Trussville/Cahaba (see Note 1C).

D. Business Interruption Insurance Recoveries

Not applicable

E. State Transferable and Non-transferable Tax Credits

1. The carrying value of transferable and non-transferable state tax credits, gross of any related tax liabilities, and total unused transferable and non-transferable state tax credits by state and in total at December 31, 2015 are as follows:

Description of state transferable ("T") and non-transferable ("NT") tax credits	State	Carrying Value	Unused Amount
Film Production Tax Credit (T)	AK	$ 187,460	$ 206,000
Total		$ 187,460	$ 206,000

2. The Company estimated the utilization of the remaining transferable and non-transferable state tax credits by projecting future premium, taking into account policy growth and rate changes, projecting the future tax liability based on projected premium, tax rates, and tax credits, and comparing the projected future tax liability to the availability of remaining transferable and non-transferable state tax credits.

3. The Company recognized an impairment loss of $0 related to write-downs as a result of impairment analysis of the carrying amount for transferable and non-transferable state tax credits.

4. State tax credits admitted and nonadmitted are as follows:

Type	Total Admitted	Total Nonadmitted
Transferable	$ 187,460	$ --
Non-transferable	$ --	$ --

F. Subprime Mortgage Related Risk Exposure

1. Exposure to Subprime Mortgage Related Risk

The following sub prime disclosure and the review and procedures described within are completed at a consolidated level for all the Progressive companies. To the extent the Company had any direct subprime exposure, those securities would be listed in Note 21.F.3.

Management's review of the investment portfolio for securities with direct subprime exposure, such as Alt-A residential mortgage loan-backed bonds and home equity loan-backed bonds, is performed in conjunction with the OTTI analysis and procedures (see Note 1.C). Additionally, securities that were determined to have an indirect subprime exposure were also reviewed as part of the OTTI process.
The Company's management continues to perform a detailed review of its investment portfolio, paying particular attention to the credit profile of the issuers to identify the extent to which any asset values may have been impacted by direct or indirect exposure to the subprime mortgage loan disruption, as well as broader credit market events.

In 2015, the Company recorded no OTTI write-downs on any securities as a result of direct subprime exposure.

2. Direct Investment in Subprime Mortgage Loans

Not applicable

3. Direct Investment in Securities with Underlying Subprime Exposure

At December 31, 2015, the Company had the following securities with underlying subprime exposure:

Investment Type	Actual Cost	Book Adjusted Carrying Value	Fair Market Value	OTTI Recognized
(a) Residential mortgage-backed securities	$ 19,038,246	$ 19,036,093	$ 20,298,413	$ --
(b) Commercial mortgage-backed securities	--	--	--	--
(c) Collateralized debt obligations	--	--	--	--
(d) Structured securities	--	--	--	--
(e) Equity investment in SCAs	--	--	--	--
(f) Other assets	--	--	--	--
(g) Total	$ 19,038,246	$ 19,036,093	$ 20,298,413	$ --

4. Mortgage or Financial Guaranty Subprime Exposure

Not applicable

G. Insurance-Linked Securities

Not applicable

H. Agents' Balances Certification, Florida Statute 625.012 (5):

At December 31, 2015 and 2014, the Company reported net admitted premiums and agents' balances in course of collection of $33,346,964 and $30,688,424 respectively. Of this amount there were no premiums due from a controlled or controlling person as defined in Florida statute 625.012 (5).

22. Events Subsequent

The Company was not impacted by any subsequent events. Subsequent events have been considered through February 15, 2016 for the statutory statement that was available for issuance by March 1, 2016.

The Company does not write health insurance and therefore has no premiums subject to assessment under section 9010 of the Affordable Care Act for either the current or prior years.

23. Reinsurance

A. Unsecured Reinsurance Recoverable

At December 31, 2015, the Company had the following unsecured reinsurance recoverable balance which exceeded 3% of policyholders' surplus:

Reinsurer	NAIC Code	Federal ID#	Amount
Progressive Casualty Insurance Company	24260	34-6513736	$ 790,065,000
Total			$ 790,065,000

B. Reinsurance Recoverable in Dispute

Not applicable

C. Reinsurance Assumed and Ceded

1. The table below summarizes ceded and assumed unearned premiums and the related commission equity at December 31, 2015.

	Assumed		Ceded		Net	
	Unearned Premiums	Commission Equity	Unearned Premiums	Commission Equity	Unearned Premiums	Commission Equity
(a) Affiliates	$ 216,023,000	$ --	$ 329,432,000	$ --	$ (113,409,000)	$ --
(b) All Other	--	--	316,000	83,000	(316,000)	(83,000)
(c) Totals	$ 216,023,000	$ --	$ 329,748,000	$ 83,000	$ (113,725,000)	$ (83,000)
(d) Direct Unearned Premium Reserve is $329,748,000						

2. The Company has no return commission or profit sharing arrangements.

D. Uncollectible Reinsurance

Not applicable

E. Commutation of Ceded Reinsurance

Not applicable

F. Retroactive Reinsurance

Not applicable

G. Reinsurance Accounted for as a Deposit

Not applicable

H. Disclosures for the Transfer of Property and Casualty Run-off Agreements

Not applicable

I. Certified Reinsurer Downgraded or Status Subject to Revocation

Not applicable

J. Reinsurance Agreements Qualifying for Reinsurer Aggregation

Not applicable

24. Retrospectively Rated Contracts and Contracts Subject to Redetermination

Not applicable

25. Changes in Incurred Losses and Loss Adjustment Expenses

Incurred losses and LAE attributable to insured events of prior accident years decreased by $9,716,605 in 2015, which is 3.4% of the total prior year net unpaid losses and LAE of $281,723,950. The favorable development is primarily due to private passenger auto liability originally anticipated severity for accident year 2014 decreasing 1.7% and less late reported losses than anticipated for auto physical damage. LAE reserves developed favorably primarily due to favorable adjusting and other expense reserve development.

26. Intercompany Pooling Arrangements

The Company participates in a pooling reinsurance agreement with the property-casualty affiliates listed below (the “Agency Pool”) under which 100% of the underwriting business of each member company, net of external reinsurance, is ceded to Casualty, the Agency Pool manager and an Agency Pool participant. The combined premiums, losses, and expenses are then retroceded to each Agency Pool member based on pre-determined pooling percentages.

Progressive Hawaii Insurance Corp. (“Hawaii”), an insurance affiliate domiciled in Ohio and National Continental Insurance Company (“National Continental”), an insurance affiliate domiciled in New York, terminated their future participation in the Agency Pool effective November 5, 2005 and January 1, 1996, respectively. Hawaii and National Continental have zero percent retrocession participation in the Agency Pool for all policies written prior to the dates listed above.

The pooling percentages for each Agency Pool participant as of December 31, 2015 and 2014 were as follows:

Company	NAIC Code	2015 Pool %	2014 Pool %
Progressive Casualty Insurance Company (Lead)	24260	49.0%	49.0%
Progressive Northern Insurance Company	38628	12.0	12.0
Progressive Northwestern Insurance Company	42919	12.0	12.0
Progressive Specialty Insurance Company	32786	7.0	7.0
Progressive Preferred Insurance Company	37834	6.0	6.0
Progressive Michigan Insurance Company	10187	4.0	4.0
Progressive Classic Insurance Company	42994	3.0	3.0
Progressive American Insurance Company	24252	2.0	2.0
Progressive Gulf Insurance Company	42412	2.0	2.0
Progressive Bayside Insurance Company	17350	1.0	1.0
Progressive Mountain Insurance Company	35190	1.0	1.0
Progressive Southeastern Insurance Company	38784	1.0	1.0
Progressive Hawaii Insurance Corp.	10067	--	--
National Continental Insurance Company	10243	--	--
		100.0%	100.0%

All business written by each Agency Pool participant is subject to pooling. Business ceded by Agency Pool members to non-affiliated reinsurers prior to pooling, is primarily due to state-provided reinsurance programs. The Company does not participate in any intercompany sharing of the provision for reinsurance and the write-off of uncollectible reinsurance.

At December 31, 2015, amounts recoverable from and payable to the Company and all affiliates participating in the Agency Pool are as follows:

Company	Amounts Recoverable	Amounts Payable
Progressive Casualty Insurance Company (Lead)	$ 77,732,488	$ 20,104,474
Progressive Northern Insurance Company	5,046,185	12,201,162
Progressive Northwestern Insurance Company	1,823,572	22,306,683
Progressive Specialty Insurance Company	6,170,010	1,261,920
Progressive Preferred Insurance Company	783,215	10,833,498
Progressive Michigan Insurance Company	233,457	4,069,799
Progressive Classic Insurance Company	1,301,987	6,586,063
Progressive American Insurance Company	3,764,534	8,056,774
Progressive Gulf Insurance Company	965,727	3,554,201
Progressive Bayside Insurance Company	10,093	1,466,113
Progressive Mountain Insurance Company	-	5,530,741
Progressive Southeastern Insurance Company	-	1,864,673
Progressive Hawaii Insurance Corp.	--	862
National Continental Insurance Company	5,695	--
Total	$ 97,836,963	$ 97,836,963

27. Structured Settlements

Not applicable

28. Health Care Receivables

Not applicable

NOTES TO FINANCIAL STATEMENTS

29. Participating Accident and Health Policies

Not applicable

30. Premium Deficiency Reserves

1. Liability carried for premium deficiency reserves $0
2. Date of most recent evaluation of this liability December 31, 2015
3. Was anticipated investment income utilized in the calculation? Yes [X] No [ ]

31. High Deductibles

Not applicable

32. Discounting of Liabilities for Unpaid Losses and Unpaid Loss Adjustment Expenses

Not applicable

33. Asbestos and Environmental Reserves

Because the Company is primarily an insurer of motor vehicles, it has limited exposure for asbestos and environmental claims. In accordance with disclosure requirements, the amounts reported for direct, assumed, and net below reflect the Company's pooled share (see Note 26) of the Agency Pool's exposure to asbestos and environmental claims. The Agency Pool's exposure arises from Casualty's participation in various reinsurance pools from 1968 to 1975, which underwrote general liability insurance, Casualty's aggregate stop loss reinsurance agreement with Progressive Max Insurance Company, an insurance affiliate domiciled in Ohio, for various reinsurance pools from 1965 to 1975, Progressive American Insurance Company's, an insurance affiliate and Agency Pool member domiciled in Ohio, limited number of general liability policies issued from 1972 to 1975, and Casualty’s aggregate stop loss reinsurance agreement with National Continental Insurance Company, an insurance affiliate domiciled in New York, for general liability business written on or before November 25, 1985.

A. Asbestos reserves direct, assumed, and net of reinsurance are as follows:

	December 31,				
	2011	2012	2013	2014	2015
Direct					
Beginning reserves	$ 14,350	$ 14,350	$ 14,350	$ 14,350	$ 770
Losses and DCC incurred	--	--	--	(13,580)	--
Calendar year payments for losses and DCC	--	--	--	--	--
Ending reserves	$ 14,350	$ 14,350	$ 14,350	$ 770	$ 770
Assumed Reinsurance					
Beginning reserves	$ 334,130	$ 226,887	$ 229,701	$ 152,505	$ 268,836
Losses and DCC incurred	(54,487)	10,276	(45,836)	139,316	1,522
Calendar year payments for losses and DCC	52,756	7,462	31,360	22,985	13,533
Ending reserves	$ 226,887	$ 229,701	$ 152,505	$ 268,836	$ 256,825
Net of Ceded Reinsurance					
Beginning reserves	$ 348,480	$ 241,237	$ 244,051	$ 166,855	$ 269,606
Losses and DCC incurred	(54,487)	10,276	(45,836)	125,736	1,522
Calendar year payments for losses and DCC	52,756	7,462	31,360	22,985	13,533
Ending reserves	$ 241,237	$ 244,051	$ 166,855	$ 269,606	$ 257,595

B. Ending Reserves for Asbestos Claims for Bulk and IBNR Included in A above (Losses and LAE):

Direct	$ --
Assumed	63,372
Net	$ 63,372

C. Ending Reserves for Asbestos Claims for LAE Included in A above (Case, Bulk, and IBNR):

Direct	$ 700
Assumed	28,818
Net	$ 29,518

D. Environmental reserves direct, assumed, and net of reinsurance are as follows:

	December 31,				
	2011	2012	2013	2014	2015
Direct					
Beginning reserves	$ 3,577	$ 3,577	$ 3,577	$ 3,577	$ --
Losses and DCC incurred	--	--	--	(3,577)	--
Calendar year payments for losses and DCC	--	--	--	--	--
Ending reserves	$ 3,577	$ 3,577	$ 3,577	$ --	$ --
Assumed Reinsurance					
Beginning reserves	$ 206,723	$ 246,930	$ 357,328	$ 565,672	$ 689,017
Losses and DCC incurred	39,881	109,969	212,312	496,658	7,120
Calendar year payments for losses and DCC	(326)	(429)	3,968	373,313	41,651
Ending reserves	$ 246,930	$ 357,328	$ 565,672	$ 689,017	$ 654,486
Net of Ceded Reinsurance					
Beginning reserves	$ 210,300	$ 250,507	$ 360,905	$ 569,249	$ 689,017
Losses and DCC incurred	39,881	109,969	212,312	493,081	7,120
Calendar year payments for losses and DCC	(326)	(429)	3,968	373,313	41,651
Ending reserves	$ 250,507	$ 360,905	$ 569,249	$ 689,017	$ 654,486

E. Ending Reserves for Environmental Claims for Bulk and IBNR Included in D above (Losses and LAE):

Direct	$ --
Assumed	169,836
Net	$ 169,836

F. Ending Reserves for Environmental Claims for LAE Included in D above (Case, Bulk, and IBNR):

Direct	$ --
Assumed	98,984
Net	$ 98,984

34. Subscriber Savings Accounts

Not applicable

35. Multiple Peril Crop Insurance

Not applicable

36. Financial Guaranty Insurance

Not applicable

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [X] No [ ]
If yes, complete Schedule Y, Parts 1, 1A and 2.

1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes [X] No [ ] N/A [ ]

1.3 State regulating? OHIO

2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [ ] No [X]

2.2 If yes, date of change:

3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2012

3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2012

3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 08/06/2013

3.4 By what department or departments?
OHIO

3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments? Yes [ ] No [ ] N/A [X]

3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [X] No [ ] N/A [ ]

4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.11 sales of new business? Yes [ ] No [X]

4.12 renewals? Yes [ ] No [X]

4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums of:

4.21 sales of new business? Yes [ ] No [X]

4.22 renewals? Yes [ ] No [X]

5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [ ] No [X]

5.2 If yes, provide name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile

6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [ ] No [X]

6.2 If yes, give full information:

7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes [ ] No [X]

7.2 If yes,

7.21 State the percentage of foreign control %

7.22 State the nationality(ies) of the foreign person(s) or entity(ies); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(ies) (e.g., individual, corporation, government, manager or attorney-in-fact).

1 Nationality	2 Type of Entity

8.1 Is the company a subsidiary of a bank holding company regulated with the Federal Reserve Board? Yes [ ] No [X]

8.2 If response to 8.1 is yes, please identify the name of the bank holding company.

8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [ ] No [X]

8.4 If the response to 8.3 is yes, please provide below the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
PRICEWATERHOUSECOOPERS, LLP 200 PUBLIC SQUARE, 18TH FLOOR CLEVELAND, OH 44114-2301

10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes [ ] No [X]

10.2 If the response to 10.1 is yes, provide information related to this exemption:

10.3 Has the insurer been granted any exemptions related to other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation? Yes [ ] No [X]

10.4 If the response to 10.3 is yes, provide information related to this exemption:

10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes [X] No [ ] N/A [ ]

10.6 If the response to 10.5 is no or n/a, please explain:

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
GARY S. TRAICOFF, FCAS, MAAA CORPORATE ACTUARY 6300 WILSON MILLS ROAD MAYFIELD VILLAGE, OH 44143-2182

12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [X] No [ ]

12.11 Name of real estate holding company PLUM CREEK TIMBER CO INC, PUBLIC STORAGE, VORNADO REALTY TRUST, TAUBMAN CENTERS INC, URBAN EDGE PROPERTIES

12.12 Number of parcels involved 0

12.13 Total book/adjusted carrying value $ 4,092,007

12.2 If yes, provide explanation
WE HOLD A COMMON STOCK INTEREST IN SEVERAL REAL ESTATE HOLDING COMPANIES. THE NUMBER OF PARCELS IS UNKNOWN.

13. **FOR UNITED STATES BRANCES OF ALIEN REPORTING ENTITIES ONLY:**

13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
N/A

13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [ ] No [ ]

13.3 Have there been any changes made to any of the trust indentures during the year? Yes [ ] No [ ]

13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [ ] No [ ] N/A [ ]

14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [X] No [ ]

(a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;

(b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;

(c) Compliance with applicable governmental laws, rules and regulations;

(d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and

(e) Accountability for adherence to the code.

14.11 If the response to 14.1 is no, please explain:

14.2 Has the code of ethics for senior managers been amended? Yes [ ] No [X]

14.21 If the response to 14.2 is yes, provide information related to amendment(s).

14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [ ] No [X]

14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).

15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes [ ] No [X]

15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount

BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinator committee thereof? Yes [X] No [ ]

17. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors an all subordinator committees thereof? Yes [X] No [ ]

18. Has the reporting entity an established procedure for disclosure to its Board of Directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person? Yes [X] No [ ]

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [ ] No [X]

20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):

20.11 To directors or other officers $ 0

20.12 To stockholders not officers $ 0

20.13 Trustees, supreme or grand (Fraternal only) $ 0

20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):

20.21 To directors or other officers $ 0

20.22 To stockholders not officers $ 0

20.23 Trustees, supreme or grand (Fraternal only) $ 0

21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reporting in the statement? Yes [ ] No [X]

21.2 If yes, state the amount thereof at December 31 of the current year:

21.21 Rented from others $ 0

21.22 Borrowed from others $ 0

21.23 Leased from others $ 0

21.24 Other $ 0

22.1 Does this statement include payments for assessments as described in the *Annual Statement Instructions* other than guaranty fund or guaranty association assessments? Yes [ ] No [X]

22.2 If answer is yes:

22.21 Amount paid as losses or risk adjustment $ 0

22.22 Amount paid as expenses $ 0

22.23 Other amounts paid $ 0

23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [X] No [ ]

23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: $ 36,729,658

INVESTMENT

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

24.01 Were all of the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date (other than securities lending programs addressed in 24.03)? Yes [X] No [ ]

24.02 If no, give full and complete information, relating thereto:

24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off balance sheet (an alternative is to reference Note 17 where this information is also provided).
N/A

24.04 Does the company's security lending program meet the requirements for a conforming program as outlined in the *Risk-Based Capital Instructions*? Yes [ ] No [ ] N/A [X]

24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. $ 0

24.06 If answer to 24.04 is no, report amount of collateral for other programs $ 0

24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes [ ] No [ ] N/A [X]

24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [ ] No [ ] N/A [X]

24.09. Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending? Yes [ ] No [ ] N/A [X]

24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:

24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: $ 0

24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: $ 0

24.103 Total payable for securities lending reported on the liability page: $ 0

25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is current in force? (Exclude securities subject to Interrogatory 21.1 and 24.03.) Yes [X] No [ ]

25.2 If yes, state the amount thereof at December of the current year:

25.21	Subject to repurchase agreements	$ 0
25.22	Subject to reverse repurchase agreements	$ 0
25.23	Subject to dollar repurchase agreements	$ 0
25.24	Subject to reverse dollar repurchase agreements	$ 0
25.25	Placed under option agreements	$ 0
25.26	Letter stock or securities restricted as sale – excluding FHLB Capital Stock	$ 0
25.27	FHLB Capital Stock	$ 0
25.28	On deposit with states	$ 3,705,311
25.29	On deposit with other regulatory bodies	$ 0
25.30	Pledged as collateral – excluding collateral pledged to an FHLB	$ 0
25.31	Pledged as collateral to FHLB – including assets backing funding agreements	$ 0
25.32	Other	$ 0

25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount
		$

26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [ ] No [X]

26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [ ] No [ ] N/A [X]
If no, attach a description with this statement.

27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes [ ] No [X]

27.2 If yes, state the amount thereof at December of the current year: $ 0

28. Excluding items in Schedule E-Part 3-Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC *Financial Condition Examiners Handbook*? Yes [X] No [ ]

28.01 For all agreements that comply with the requirements of the NAIC *Financial Condition Examiners Handbook*, complete the following:

1 Name of Custodian(s)	2 Custodian Address
CITIBANK, N.A.	338 GREENWICH STREET, NEW YORK, NY 10013
STATE STREET	801 PENNSYLVANIA AVE, KANSAS CITY, MO 64105

28.02 For all agreements that do not comply with the requirements of the NAIC *Financial Condition Examiners Handbook*, provide the name, location and a complete explanation

1 Name(s)	2 Location(s)	3 Complete Explanation(s)
NONE		

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year? Yes [ ] No [X]

28.04 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
NONE			

28.05 Identify all investment advisors, broker/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository	2 Name(s)	3 Address
30107	STATE STREET GLOBAL MARKETS, LLC	225 FRANKLIN ST, BOSTON, MA 02110

29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D-Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b) (1)])? Yes [ ] No [X]

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

29.2 If yes, complete the following schedule:

1 CUSIP	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
29.2999 TOTAL		

29.3 For each mutual fund listed in the table above, complete the following schedule:

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holdings	4 Date of Valuation

30. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

		1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1	Bonds	433,029,028	434,440,598	1,411,570
30.2	Preferred Stocks	22,604,775	28,614,050	6,009,275
30.3	Totals	455,633,803	463,054,648	7,420,845

30.4 Describe the sources or methods utilized in determining fair values:
THE FAIR MARKET VALUES REPORTED ARE DERIVED FROM INDEPENDENT AND OBSERVABLE MARKET INPUT EVALUATIONS PROVIDED BY WIDELY UTILIZED REPUTABLE PRICING SERVICES, INDEPENDENT BROKER/DEALER BID LISTS, INDEPENDENT BROKER/DEALER QUOTATIONS, INDEPENDENT BROKER/DEALER PRICING SERVICES, OR ACTIVE MARKET CLOSING QUOTATIONS FROM A REGULATED EXCHANGE. IN VERY RARE CASES, IF NONE OF THE AFOREMENTIONED PRIMARY SOURCES ARE AVAILABLE, MATRIX PRICING USING THE REPORTING ENTITY'S OWN MARKET BASED ASSUMPTIONS MAY BE UTILIZED. THE APPROVED METHODS FOR COMPUTATION OF FAIR MARKET VALUE ARE PRESCRIBED IN PART FIVE OF THE SECURITIES VALUATION OFFICE PURPOSES AND PROCEDURES MANUAL.

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes [ ] No [X]

31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes [ ] No [ ]

31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliance pricing source for purposes of disclosure of fair value for Schedule D:

32.1 Have all the filing requirements of the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* been followed? Yes [X] No [ ]

32.2 If no, list exceptions:

OTHER

33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? $ 60,826

33.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid
INDEPENDENT STATISTICAL SVCS	$ 60,826

34.1 Amount of payments for legal expenses, if any? $ 0

34.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
NONE	$

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? $ 0

35.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid
NONE	$

GENERAL INTERROGATORIES

PART 2 – PROPERTY & CASUALTY INTERROGATORIES

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes [ ] No [X]

1.2 If yes, indicate premium earned on U.S. business only. $ 0

1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? $ 0

1.31 Reason for excluding:

1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. $ 0

1.5 Indicate total incurred claims on all Medicare Supplement insurance. $ 0

1.6 Individual policies:

Most current three years:

1.61 Total premium earned $ 0

1.62 Total incurred claims $ 0

1.63 Number of covered lives 0

All years prior to most current three years:

1.64 Total premium earned $ 0

1.65 Total incurred claims $ 0

1.66 Number of covered lives 0

1.7 Group policies:

Most current three years:

1.71 Total premium earned $ 0

1.72 Total incurred claims $ 0

1.73 Number of covered lives 0

All years prior to most current three years:

1.74 Total premium earned $ 0

1.75 Total incurred claims $ 0

1.76 Number of covered lives 0

2. Health Test:

		1 Current Year	2 Prior Year
2.1	Premium Numerator	$ 0	$ 0
2.2	Premium Denominator	$ 705,023,357	$ 694,963,047
2.3	Premium Ratio (2.1/2.2)		
2.4	Reserve Numerator	$ 0	$ 0
2.5	Reserve Denominator	$ 513,788,558	$ 485,132,629
2.6	Reserve Ratio (2.4/2.5)		

3.1 Does the reporting entity issue both participating and non-participating policies? Yes [ ] No [X]

3.2 If yes, state the amount of calendar year premiums written on:

3.21 Participating policies $ 0

3.22 Non-participating policies $ 0

4. FOR MUTUAL REPORTING ENTITIES AND RECIPROCAL EXCHANGES ONLY:

4.1 Does the reporting entity issue assessable policies? Yes [ ] No [ ]

4.2 Does the reporting entity issue non-assessable policies? Yes [ ] No [ ]

4.3 If assessable policies are issued, what is the extent of the contingent liability of the policyholders? %

4.4 Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums. $ 0

5. FOR RECIPROCAL EXHANGES ONLY:

5.1 Does the exchange appoint local agents? Yes [ ] No [ ]

5.2 If yes, is the commission paid:

5.21 Out of Attorney's-in-fact compensation Yes [ ] No [ ] N/A [ ]

5.22 As a direct expense of the exchange Yes [ ] No [ ] N/A [ ]

5.3 What expenses of the exchange are not paid out of the compensation of the Attorney-in-fact?

5.4 Has any Attorney-in-fact compensation, contingent on fulfillments of certain conditions, been deferred? Yes [ ] No [ ]

5.5 If yes, give full information:

6.1 What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss?

THE COMPANY DOES NOT WRITE WORKERS' COMPENSATION INSURANCE.

6.2 Describe the method used to estimate this reporting entity's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process:

THE COMPANY'S PROBABLE MAXIMUM LOSS (PML) IS ESTIMATED BY ANALYZING HISTORICAL MAJOR OCCURRENCES AND ESTIMATING FREQUENCY OF LOSS AND SEVERITY BASED ON THE POTENTIAL FORCE OF AN OCCURRENCE AND THE TOTAL NUMBER OF AUTOS AND BOATS EXPOSED. THE ESTIMATE OF THE PML WAS MADE EXCLUSIVELY BY PROGRESSIVE EMPLOYEES. THE COMPANY'S NET COMPREHENSIVE EXPOSURE IN THE CATASTROPHE PRONE STATES OF FLORIDA, LOUISIANA, TEXAS, MISSISSIPPI, ALABAMA, NEW YORK, NEY JERSEY AND CALIFORNIA IS LIMITED SINCE THE COMPANY IS A MEMBER OF A 100% POOLING REINSURANCE ARRANGEMENT WITH 11 OF ITS PROPERTY AND CASUALTY AFFILIATES. THE PRIMARY PROPERTY COVERAGE SOLD BY THE COMPANY IS COMPREHENSIVE FOR AUTOMOBILE AND INLAND MARINE FOR BOATS. THE ESTIMATE OF THE PML IS 6% OF THE SURPLUS.

6.3 What provision has this reporting entity made (such as catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss?

THE COMPANY'S ESTIMATED PML IS 6% OF THE SURPLUS. THE COMPANY CARRIES NO EXTERNAL CATASTROPHE REINSURANCE TO COVER ITS LIMITED CATASTROPHE EXPOSURE. THE COMPANY PARTICIPATES IN A POOLING ARRANGEMENT, WHICH SPREADS THE UNDERWRITING RISK INCLUDING THE CATASTROPHE EXPOSURE AMONG ALL PARTIES TO THE POOLING AGREEMENT.

6.4 Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence? Yes [ ] No [X]

GENERAL INTERROGATORIES

PART 2 – PROPERTY & CASUALTY INTERROGATORIES

6.5 If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to unreinsured catastrophic loss:

NONE

7.1 Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss cap, an aggregate limit or any similar provisions)? Yes [ ] No [X]

7.2 If yes, indicate the number of reinsurance contracts containing such provisions. 0

7.3 If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)? Yes [ ] No [ ]

8.1 Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured? Yes [ ] No [X]

8.2 If yes, give full information

9.1 Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:

(a) A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term;

(b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;

(c) Aggregate stop loss reinsurance coverage;

(d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;

(e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or

(f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity? Yes [ ] No [X]

9.2 Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:

(a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or

(b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract. Yes [ ] No [X]

9.3 If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:

(a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income;

(b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and

(c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.

9.4 Except for transactions meeting the requirements of paragraph 31 of SSAP No. 62R, Property and Casualty Reinsurance, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:

(a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or

(b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP? Yes [ ] No [X]

9.5 If yes to 9.4, explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (Section D) why the contract(s) is treated differently for GAAP and SAP.

9.6 The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria:

(a) The entity does not utilize reinsurance; or, Yes [ ] No [X]

(b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or Yes [ ] No [X]

(c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement. Yes [ ] No [X]

10. If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurances a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done? Yes [X] No [ ] N/A [ ]

11.1 Has the reporting entity guaranteed policies issued by any other entity and now in force? Yes [ ] No [X]

11.2 If yes, give full information

12.1 If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the assets schedule, Page 2, state the amount of corresponding liabilities recorded for:

12.11 Unpaid losses $ 0

12.12 Unpaid underwriting expenses (including loss adjustment expenses) $ 0

12.2 Of the amount on Line 15.3, Page 2, state the amount that is secured by letters of credit, collateral and other funds? $ 0

12.3 If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium notes or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses? Yes [ ] No [X] N/A [ ]

12.4 If yes, provide the range of interest rates charged under such notes during the period covered by this statement:

12.41 From %

12.42 To %

12.5 Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by a reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies? Yes [ ] No [X]

12.6 If yes, state the amount thereof at December 31 of current year:

12.61 Letters of Credit $ 0

GENERAL INTERROGATORIES

PART 2 – PROPERTY & CASUALTY INTERROGATORIES

	12.62 Collateral and other funds	$ 0
13.1	Largest net aggregate amount insured in any one risk (excluding workers' compensation):	$ 700,000
13.2	Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision?	Yes [ ] No [X]
13.3	State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount.	1
14.1	Is the company a cedant in a multiple cedant reinsurance contract?	Yes [ ] No [X]
14.2	If yes, please describe the method of allocating and recording reinsurance among the cedants:	
14.3	If the answer to 14.1 is yes, are the methods described in item 14.2 entirely contained in the respective multiple cedant reinsurance contracts?	Yes [ ] No [ ]
14.4	If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements?	Yes [ ] No [ ]
14.5	If the answer to 14.4 is no, please explain:	
15.1	Has the reporting entity guaranteed any financed premium accounts?	Yes [ ] No [X]
15.2	If yes, give full information	
16.1	Does the reporting entity write any warranty business?	Yes [ ] No [X]

If yes, disclose the following information for each of the following types of warranty coverage:

		1 Direct Losses Incurred	2 Direct Losses Unpaid	3 Direct Written Premium	4 Direct Premium Unearned	5 Direct Premium Earned
16.11	Home	$ 0	$ 0	$ 0	$ 0	$ 0
16.12	Products	$ 0	$ 0	$ 0	$ 0	$ 0
16.13	Automobile	$ 0	$ 0	$ 0	$ 0	$ 0
16.14	Other*	$ 0	$ 0	$ 0	$ 0	$ 0

* Disclose type of coverage:

17.1	Does the reporting entity include amounts recoverable on unauthorized reinsurance in Schedule F – Part 3 that it excludes from Schedule F – Part 5.	Yes [ ] No [X]
	Incurred but not reported losses on contracts in force prior to July 1, 1984, and not subsequently renewed are exempt from inclusion in Schedule F – Part 5. Provide the following information for this exemption:	
17.11	Gross amount of unauthorized reinsurance in Schedule F – Part 3 excluded from Schedule F – Part 5	$ 0
17.12	Unfunded portion of Interrogatory 17.11	$ 0
17.13	Paid losses and loss adjustment expenses portion of Interrogatory 17.11	$ 0
17.14	Case reserves portion of Interrogatory 17.11	$ 0
17.15	Incurred but not reported portion of Interrogatory 17.11	$ 0
17.16	Unearned premium portion of Interrogatory 17.11	$ 0
17.17	Contingent commission portion of Interrogatory 17.11	$ 0
	Provide the following information for all other amounts included in Schedule F – Part 3 and excluded from Schedule F – Part 5, not included above.	
17.18	Gross amount of unauthorized reinsurance in Schedule F – Part 3 excluded from Schedule F – Part 5	$ 0
17.19	Unfunded portion of Interrogatory 17.18	$ 0
17.20	Paid losses and loss adjustment expenses portion of Interrogatory 17.18	$ 0
17.21	Case reserves portion of Interrogatory 17.18	$ 0
17.22	Incurred but not reported portion of Interrogatory 17.18	$ 0
17.23	Unearned premium portion of Interrogatory 17.18	$ 0
17.24	Contingent commission portion of Interrogatory 17.18	$ 0
18.1	Do you act as a custodian for health savings accounts?	Yes [ ] No [X]
18.2	If yes, please provide the amount of custodial funds held as of the reporting date.	$ 0
18.3	Do you act as an administrator for health savings accounts?	Yes [ ] No [X]
18.4	If yes, please provide the balance of the funds administered as of the reporting date.	$ 0

FIVE-YEAR HISTORICAL DATA

Show amounts in whole dollars only, no cents; show percentages to one decimal place, i.e. 17.6.

	1 2015	2 2014	3 2013	4 2012	5 2011
Gross Premiums Written (Page 8, Part 1B, Cols. 1, 2 & 3)					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	1,173,103,742	1,148,396,870	1,086,068,204	1,010,794,561	941,982,415
2. Property lines (Lines 1, 2, 9, 12, 21 & 26)	668,208,969	643,555,324	607,107,958	572,373,844	520,937,898
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	14,090,836	12,650,217	2,992,881	1,965,568	1,876,485
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	902	824	289	2,936	5,923
5. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
6. Total (Line 35)	1,855,404,450	1,804,603,234	1,696,169,332	1,585,136,910	1,464,802,720
Net Premiums Written (Page 8, Part 1B, Col. 6)					
7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	458,110,539	444,911,015	425,559,801	406,404,325	379,612,757
8. Property lines (Lines 1, 2, 9, 12, 21 & 26)	260,417,453	251,270,631	237,710,650	227,049,484	211,522,046
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	2,936,705	2,627,468	2,123,653	1,965,568	1,876,485
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	902	824	289	590	1,231
11. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
12. Total (Line 35)	721,465,600	698,809,937	665,394,393	635,419,968	593,012,518
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8)	51,688,764	51,844,405	37,828,538	20,459,766	33,813,561
14. Net investment gain (loss) (Line 11)	12,869,401	18,822,552	61,497,165	49,149,291	45,432,556
15. Total other income (Line 15)	8,819,601	10,852,173	11,375,505	12,007,310	12,033,860
16. Dividends to policyholders (Line 17)					
17. Federal and foreign income taxes incurred (Line 19)	25,074,286	24,587,844	23,714,191	21,268,871	27,257,170
18. Net income (Line 20)	48,303,480	56,931,286	86,987,017	60,347,496	64,022,807
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)	864,748,854	880,174,181	941,276,707	994,299,409	1,065,769,405
20. Premiums and considerations (Page 2, Col. 3):					
20.1 In course of collection (Line 15.1)	33,346,964	30,688,424	29,439,310	26,394,451	19,385,073
20.2 Deferred and not yet due (Line 15.2)	183,653,707	173,161,532	168,850,883	155,965,587	141,511,047
20.3 Accrued retrospective premiums (Line 15.3)					
21. Total liabilities excluding protected cell business (Page 3, Line 26)	598,353,227	566,029,103	555,052,435	526,978,216	491,031,409
22. Losses (Page 3, Line 1)	244,947,660	233,754,652	231,068,338	217,147,501	199,877,709
23. Loss adjustment expenses (Page 3, Line 3)	51,556,346	47,969,298	45,220,509	43,354,212	42,157,315
24. Unearned premiums (Page 3, Line 9)	216,022,632	199,580,391	195,733,501	189,117,054	177,167,886
25. Capital paid up (Page 3, Lines 30 & 31)	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000
26. Surplus as regards policyholders (Page 3, Line 37)	266,395,627	314,145,078	386,224,272	467,321,193	574,737,996
Cash Flow (Page 5)					
27. Net cash from operations (Line 11)	69,292,150	62,597,041	61,371,938	71,278,229	62,996,935
Risk-Based Capital Analysis					
28. Total adjusted capital	266,395,627	314,145,078	386,224,272	467,321,193	574,737,996
29. Authorized control level risk-based capital	26,891,945	27,529,636	26,305,786	23,171,733	21,938,667
Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3) (Item divided by Page 2, Line 12, Col. 3) x 100.0					
30. Bonds (Line 1)	58.6	72.9	75.3	72.7	74.4
31. Stocks (Lines 2.1 & 2.2)	28.1	27.1	24.6	25.8	25.6
32. Mortgage loans on real estate (Lines 3.1 & 3.2)					
33. Real estate (Lines 4.1, 4.2 & 4.3)					
34. Cash, cash equivalents and short-term investments (Line 5)	13.3	0.0	0.1	1.5	0.0
35. Contract loans (Line 6)					
36. Derivatives (Line 7)					
37. Other invested assets (Line 8)					
38. Receivable for securities (Line 9)	0.0				0.0
39. Securities lending reinvested collateral assets (Line 10)					
40. Aggregate write-ins for invested assets (Line 11)					
41. Cash, cash equivalents and invested assets (Line 12)	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
42. Affiliated bonds (Sch. D, Summary, Line 12, Col. 1)					
43. Affiliated preferred stocks (Sch. D, Summary, Line 18, Col. 1)					
44. Affiliated common stocks (Sch. D, Summary, Line 24, Col. 1)					
45. Affiliated short-term investments (subtotals included in Schedule DA, Verification, Column 5, Line 10)					
46. Affiliated mortgage loans on real estate					
47. All other affiliated	8,582,565	8,831,854	9,021,042	9,210,431	9,229,720
48. Total of above lines 42 to 47	8,582,565	8,831,854	9,021,042	9,210,431	9,229,720
49. Total investment in parent included in Lines 42 to 47 above					
50. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 48 above divided by Page 3, Col. 1, Line 37 x 100.0)	3.2	2.8	2.3	2.0	1.6

FIVE-YEAR HISTORICAL DATA
(Continued)

	1 2015	2 2014	3 2013	4 2012	5 2011
Capital and Surplus Accounts (Page 4)					
51. Net unrealized capital gains (losses) (Line 24)	(2,696,361)	6,553,366	2,448,145	10,382,633	(10,684,473)
52. Dividends to stockholders (Line 35)	(118,000,000)	(150,000,000)	(180,000,000)	(200,000,000)	(275,000,000)
53. Change in surplus as regards policyholders for the year (Line 38)	(47,749,451)	(72,079,194)	(81,096,921)	(107,416,803)	(225,614,846)
Gross Losses Paid (Page 9, Part 2, Cols. 1 & 2)					
54. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	657,470,989	676,123,753	633,694,914	578,475,101	531,484,966
55. Property lines (Lines 1, 2, 9, 12, 21 & 26)	416,940,502	420,151,923	386,481,544	370,224,308	344,835,739
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	4,700,654	3,142,557	939,800	1,480,516	1,141,429
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	(14,464)	(4,418)	90,292	144,737	103,704
58. Nonproportional reinsurance lines (Lines 31, 32 & 33)	16,661	28,390	44,456	24,387	58,860
59. Total (Line 35)	1,079,114,342	1,099,442,205	1,021,251,006	950,349,048	877,624,699
Net Losses Paid (Page 9, Part 2, Col. 4)					
60. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	259,714,476	266,686,605	248,544,104	238,870,682	220,610,277
61. Property lines (Lines 1, 2, 9, 12, 21 & 26)	159,988,455	157,929,970	149,670,000	146,113,018	134,050,083
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	1,073,724	1,161,944	934,455	1,480,516	1,141,429
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	(14,464)	(4,418)	90,292	144,737	103,704
64. Nonproportional reinsurance lines (Lines 31, 32 & 33)	16,661	28,390	44,456	24,387	58,860
65. Total (Line 35)	420,778,852	425,802,491	399,283,307	386,633,339	355,964,354
Operating Percentages (Page 4) (Item divided by Page 4, Line 1) x 100.0					
66. Premiums earned (Line 1)	100.0	100.0	100.0	100.0	100.0
67. Losses incurred (Line 2)	61.3	61.7	62.7	64.8	61.6
68. Loss expenses incurred (Line 3)	10.4	10.1	10.2	10.3	10.4
69. Other underwriting expenses incurred (Line 4)	21.0	20.7	21.3	21.6	22.3
70. Net underwriting gain (loss) (Line 8)	7.3	7.5	5.7	3.3	5.8
Other Percentages					
71. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 35 x 100.0)	19.3	19.1	19.4	19.3	19.9
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)	71.6	71.8	72.9	75.1	72.0
73. Net premiums written to policyholders' surplus (Page 8, Part 1B, Col. 6, Line 35, divided by Page 3, Line 37, Col. 1 x 100.0)	270.8	222.4	172.3	136.0	103.2
One Year Loss Development (000 omitted)					
74. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2-Summary, Line 12, Col. 11)	(9,252)	(1,351)	3,046	2,223	(4,082)
75. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 74 above divided by Page 4, Line 21, Col. 1 x 100)	(2.9)	(0.4)	0.7	0.4	(0.5)
Two Year Loss Development (000 omitted)					
76. Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2-Summary, Line 12, Col. 12)	(3,204)	2,148	4,143	(6,249)	(13,364)
77. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 76 above divided by Page 4, Line 21, Col. 2 x 100.0)	(0.8)	0.5	0.7	(0.8)	(1.9)

If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Correction of Errors? Yes [ ] No [ ]

If no, please explain:

SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES

SCHEDULE P - PART 1 - SUMMARY

($000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12
	1	2	3	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10	11	Number of
	Direct and Assumed	Ceded	Net (Cols. 1 - 2)	4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded	Salvage and Subrogation Received	Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	Claims Reported-Direct and Assumed
1. Prior	XXX	XXX	XXX	1,142	951	120	23	63		69	351	XXX
2. 2006	667,701	10,792	656,908	374,239	10,303	11,356	397	70,437	395	31,624	444,938	XXX
3. 2007	606,781	8,948	597,833	354,367	5,301	9,548	86	63,034	69	32,956	421,492	XXX
4. 2008	578,227	7,283	570,944	351,519	4,902	9,407	275	60,553	105	30,419	416,197	XXX
5. 2009	579,230	7,706	571,524	340,236	6,218	9,483	420	52,771	95	28,669	395,758	XXX
6. 2010	575,661	8,671	566,990	350,086	7,261	9,859	335	52,300	15	30,726	404,634	XXX
7. 2011	592,974	7,938	585,037	367,107	3,957	8,739	58	51,737	0	33,971	423,568	XXX
8. 2012	629,947	6,476	623,471	396,264	3,562	8,234	17	53,188		38,102	454,106	XXX
9. 2013	665,304	6,526	658,778	388,529	2,596	6,502	6	53,773		37,945	446,202	XXX
10. 2014	701,791	6,828	694,963	369,374	1,880	3,691	2	52,254		38,391	423,438	XXX
11. 2015	712,063	7,040	705,023	295,381	1,293	1,025	0	45,243		25,258	340,356	XXX
12. Totals	XXX	XXX	XXX	3,588,243	48,225	77,965	1,619	555,353	678	328,129	4,171,039	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23	24	25
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21	22		Total	
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded	Direct and Assumed	Ceded	Salvage and Subrogation Anticipated	Net Losses and Expenses Unpaid	Number of Claims Outstanding-Direct and Assumed
1. Prior	13,396	12,238	619		153	1	70		219			2,218	XXX
2. 2006	3,624	3,467	10		29				62			259	XXX
3. 2007	3,482	3,351	221	211	33	0			77			252	XXX
4. 2008	4,184	3,741	841	827	66	1	9	7	96			621	XXX
5. 2009	3,655	2,929	755	744	129	1	6	4	140		1	1,008	XXX
6. 2010	3,773	2,207	925	914	252	2	6	5	185		1	2,014	XXX
7. 2011	5,502	2,536	655	644	506	1	12	11	312		0	3,797	XXX
8. 2012	12,397	3,970	3,562	898	1,346	1	765	10	934		1,494	14,126	XXX
9. 2013	24,690	4,359	4,257	817	3,584	2	942	4	1,978		1,426	30,269	XXX
10. 2014	46,335	868	13,030	3,700	6,133	3	1,627	2	4,910		2,950	67,462	XXX
11. 2015	121,053	3,174	33,493	3,921	8,397	2	3,167	6	15,471		15,671	174,478	XXX
12. Totals	242,092	42,839	58,371	12,675	20,629	13	6,604	48	24,385	0	21,543	296,504	XXX

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34	Net Balance Sheet Reserves after Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense	Inter-Company Pooling Participation Percentage	35 Losses Unpaid	36 Loss Expenses Unpaid
1. Prior	XXX	XXX	XXX	XXX	XXX	XXX			XXX	1,777	441
2. 2006	459,757	14,561	445,196	68.9	134.9	67.8			7.00	167	91
3. 2007	430,761	9,017	421,745	71.0	100.8	70.5			7.00	142	110
4. 2008	426,676	9,858	416,818	73.8	135.4	73.0			7.00	456	165
5. 2009	407,176	10,411	396,766	70.3	135.1	69.4			7.00	738	270
6. 2010	417,386	10,739	406,647	72.5	123.8	71.7			7.00	1,578	436
7. 2011	434,572	7,207	427,365	73.3	90.8	73.0			7.00	2,978	819
8. 2012	476,691	8,458	468,233	75.7	130.6	75.1			7.00	11,092	3,034
9. 2013	484,255	7,784	476,471	72.8	119.3	72.3			7.00	23,771	6,498
10. 2014	497,355	6,455	490,900	70.9	94.5	70.6			7.00	54,797	12,665
11. 2015	523,230	8,396	514,834	73.5	119.3	73.0			7.00	147,451	27,027
12. Totals	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	244,948	51,556

Note: Parts 2 and 4 are gross of all discounting, including tabular discounting. Part 1 is gross of only nontabular discounting, which is reported in Columns 32 and 33 of Part 1. The tabular discount, if any, is reported in the Notes to Financial Statements, which will reconcile Part 1 with Parts 2 and 4.

SCHEDULE P - PART 2 - SUMMARY

Years in Which Losses Were Incurred	Incurred Net Losses and Defense and Cost Containment Expenses Reported at Year End ($000 omitted) 1 2006	2 2007	3 2008	4 2009	5 2010	6 2011	7 2012	8 2013	9 2014	10 2015	DEVELOPMENT 11 One Year	12 Two Year
1. Prior	113,862	116,751	114,786	111,738	111,423	111,306	111,631	112,169	113,195	113,250	54	1,080
2. 2006	374,851	376,122	379,081	377,308	374,875	374,767	374,601	374,630	374,644	375,092	448	462
3. 2007	XXX	362,277	362,671	363,369	361,668	358,668	358,681	358,887	358,728	358,703	(25)	(184)
4. 2008	XXX	XXX	358,789	358,653	359,246	357,292	355,616	356,298	356,251	356,273	22	(25)
5. 2009	XXX	XXX	XXX	350,827	345,588	346,498	344,961	343,570	343,959	343,950	(9)	380
6. 2010	XXX	XXX	XXX	XXX	354,561	354,747	355,622	356,142	353,826	354,177	351	(1,965)
7. 2011	XXX	XXX	XXX	XXX	XXX	372,454	376,844	378,181	378,169	375,316	(2,853)	(2,865)
8. 2012	XXX	XXX	XXX	XXX	XXX	XXX	412,371	413,497	413,703	414,110	408	613
9. 2013	XXX	XXX	XXX	XXX	XXX	XXX	XXX	421,421	420,967	420,719	(248)	(701)
10. 2014	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	441,135	433,735	(7,400)	XXX
11. 2015	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	454,120	XXX	XXX
										12. Totals	(9,252)	(3,204)

SCHEDULE P - PART 3 - SUMMARY

Years in Which Losses Were Incurred	Cumulative Paid Net Losses and Defense and Cost Containment Expenses Reported at Year End ($000 omitted) 1 2006	2 2007	3 2008	4 2009	5 2010	6 2011	7 2012	8 2013	9 2014	10 2015	11 Number of Claims Closed With Loss Payment	12 Number of Claims Closed Without Loss Payment
1. Prior	000	58,489	89,665	101,404	106,492	108,400	109,708	110,282	110,963	111,250	XXX	XXX
2. 2006	254,809	321,311	349,527	364,544	370,367	372,781	373,703	374,136	374,364	374,895	XXX	XXX
3. 2007	XXX	246,899	311,414	337,304	349,761	355,009	357,004	358,010	358,352	358,528	XXX	XXX
4. 2008	XXX	XXX	241,481	309,419	333,264	345,678	351,722	354,319	355,275	355,749	XXX	XXX
5. 2009	XXX	XXX	XXX	230,657	295,252	320,356	333,222	339,494	342,131	343,081	XXX	XXX
6. 2010	XXX	XXX	XXX	XXX	233,388	301,403	329,477	343,591	350,027	352,348	XXX	XXX
7. 2011	XXX	XXX	XXX	XXX	XXX	249,970	322,825	352,145	366,483	371,831	XXX	XXX
8. 2012	XXX	XXX	XXX	XXX	XXX	XXX	272,559	355,044	386,416	400,918	XXX	XXX
9. 2013	XXX	XXX	XXX	XXX	XXX	XXX	XXX	272,656	361,341	392,429	XXX	XXX
10. 2014	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	290,376	371,184	XXX	XXX
11. 2015	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	295,113	XXX	XXX

SCHEDULE P - PART 4 - SUMMARY

Years in Which Losses Were Incurred	Bulk and IBNR Reserves on Net Losses and Defense and Cost Containment Expenses Reported at Year End ($000 omitted) 1 2006	2 2007	3 2008	4 2009	5 2010	6 2011	7 2012	8 2013	9 2014	10 2015
1. Prior	15,757	6,631	2,791	802	759	562	541	434	688	689
2. 2006	29,379	9,165	4,585	2,192	85	53	39	9	11	10
3. 2007	XXX	29,307	8,637	4,286	2,432	77	43	131	18	11
4. 2008	XXX	XXX	31,624	8,896	4,779	2,323	72	146	25	17
5. 2009	XXX	XXX	XXX	29,096	9,158	5,047	2,840	114	29	13
6. 2010	XXX	XXX	XXX	XXX	26,736	9,142	4,169	3,006	49	12
7. 2011	XXX	XXX	XXX	XXX	XXX	27,197	8,959	4,016	3,204	13
8. 2012	XXX	XXX	XXX	XXX	XXX	XXX	33,332	9,652	4,092	3,419
9. 2013	XXX	XXX	XXX	XXX	XXX	XXX	XXX	35,803	10,656	4,378
10. 2014	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	33,783	10,955
11. 2015	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	32,733

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

		1	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4	5	6	7	8	9
	States, Etc.	Active Status	2 Direct Premiums Written	3 Direct Premiums Earned	Dividends Paid or Credited to Policyholders on Direct Business	Direct Losses Paid (Deducting Salvage)	Direct Losses Incurred	Direct Losses Unpaid	Finance and Service Charges not Included in Premiums	Direct Premiums Written for Federal Purchasing Groups (Incl. in Col. 2)
1.	Alabama AL	L	154,670,916	149,952,065		89,661,104	95,672,720	56,430,933	2,514,591	
2.	Alaska AK	L	22,216,356	22,487,842		12,758,849	12,370,677	7,736,023	337,269	
3.	Arizona AZ	L				(5,543)	(5,543)			
4.	Arkansas AR	L	242,361	250,201		291,156	247,541	55,055	3,826	
5.	California CA	L								
6.	Colorado CO	L	1,468,079	1,490,936		957,495	1,216,088	1,008,177	13,061	
7.	Connecticut CT	L								
8.	Delaware DE	L								
9.	District of Columbia DC	L								
10.	Florida FL	L				(3,899)	(3,899)			
11.	Georgia GA	L								
12.	Hawaii HI	L	1,192,763	1,231,008		438,339	967,616	865,241	7,651	
13.	Idaho ID	L								
14.	Illinois IL	L				(3,245)	(3,245)			
15.	Indiana IN	L				60	60			
16.	Iowa IA	L								
17.	Kansas KS	L								
18.	Kentucky KY	L				963	963			
19.	Louisiana LA	N								
20.	Maine ME	L								
21.	Maryland MD	L	58,866,911	57,024,736		34,446,125	36,098,049	20,167,922	861,511	
22.	Massachusetts MA	N								
23.	Michigan MI	L								
24.	Minnesota MN	L	10,186,381	10,535,548		4,644,720	5,090,888	3,666,852	100,377	
25.	Mississippi MS	L								
26.	Missouri MO	L				166	1,455	1,289		
27.	Montana MT	L	232,724	232,448		324,627	62,172	87,306	2,569	
28.	Nebraska NE	L								
29.	Nevada NV	L	1,389,691	1,420,538		829,074	819,580	432,875	18,533	
30.	New Hampshire NH	N								
31.	New Jersey NJ	L								
32.	New Mexico NM	L				(192)	(192)			
33.	New York NY	L	196,977,227	191,423,514		109,989,347	115,598,322	70,036,742	6,651,128	
34.	North Carolina NC	N								
35.	North Dakota ND	L								
36.	Ohio OH	L	380,079,122	382,644,641		225,862,484	226,335,616	109,289,618	9,246,213	
37.	Oklahoma OK	L								
38.	Oregon OR	L	10,927	29,407		5,313	1,883	(952)	710	
39.	Pennsylvania PA	L	302,107,179	292,416,458		174,770,074	192,123,367	103,154,426	6,615,753	
40.	Rhode Island RI	L								
41.	South Carolina SC	L				(466)	(466)			
42.	South Dakota SD	L				471	471			
43.	Tennessee TN	L				(1,023)	(1,023)			
44.	Texas TX	L								
45.	Utah UT	L								
46.	Vermont VT	L	1,103,310	1,187,245		775,043	591,125	259,135	20,494	
47.	Virginia VA	L	3,194,902	3,353,619		2,597,658	2,248,650	1,092,296	48,760	
48.	Washington WA	L				(3,204)	(3,204)			
49.	West Virginia WV	L								
50.	Wisconsin WI	L								
51.	Wyoming WY	N								
52.	American Samoa AS	N								
53.	Guam GU	N								
54.	Puerto Rico PR	N								
55.	US Virgin Islands VI	N								
56.	Northern Mariana Islands MP	N								
57.	Canada CAN	N								
58.	Aggregate Other Alien OT	XXX	0	0	0	0	0	0	0	0
59.	Totals	(a) 46	1,133,938,849	1,115,680,206	0	658,335,496	689,429,671	374,282,938	26,442,446	0

DETAILS OF WRITE-INS

58001.		XXX								
58002.		XXX								
58003.		XXX								
58998.	Summary of remaining write-ins for Line 58 from overflow page	XXX	0	0	0	0	0	0	0	0
58999.	Totals (Lines 58001 thru 58003+ Line 58998) (Line 58 above)	XXX	0	0	0	0	0	0	0	0

(a) Insert the number of "L" responses except for Canada and Other Alien.

(L) - Licensed or Chartered - Licensed Insurance Carrier or Domicilied RRG; (R) - Registered - Non-domiciled RRGs; (Q) - Qualified - Qualified or Accredited Reinsurer;

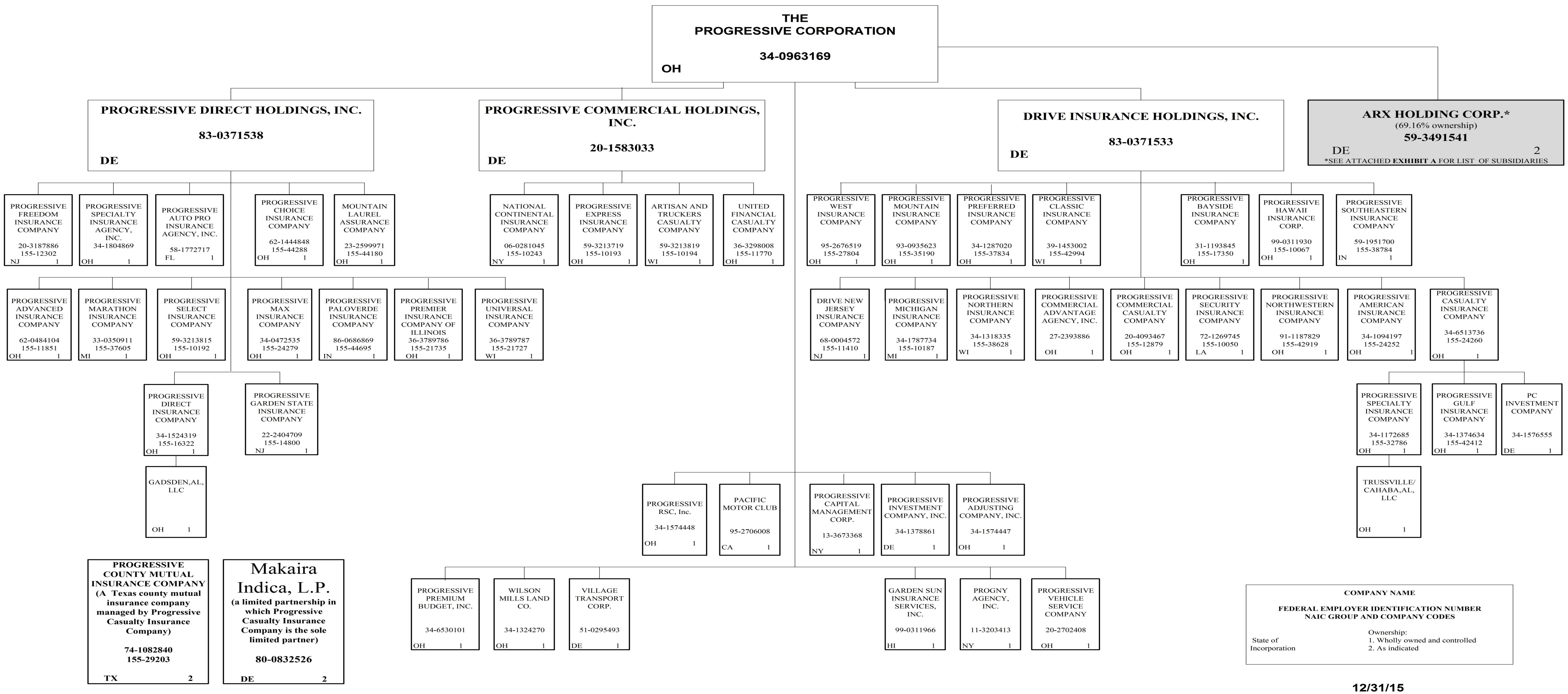
(E) - Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) - None of the above - Not allowed to write business in the state.

Explanation of Basis of Allocation of Premiums by States, etc.

Allocation on the basis of the location where the vehicle is principally garaged and used.

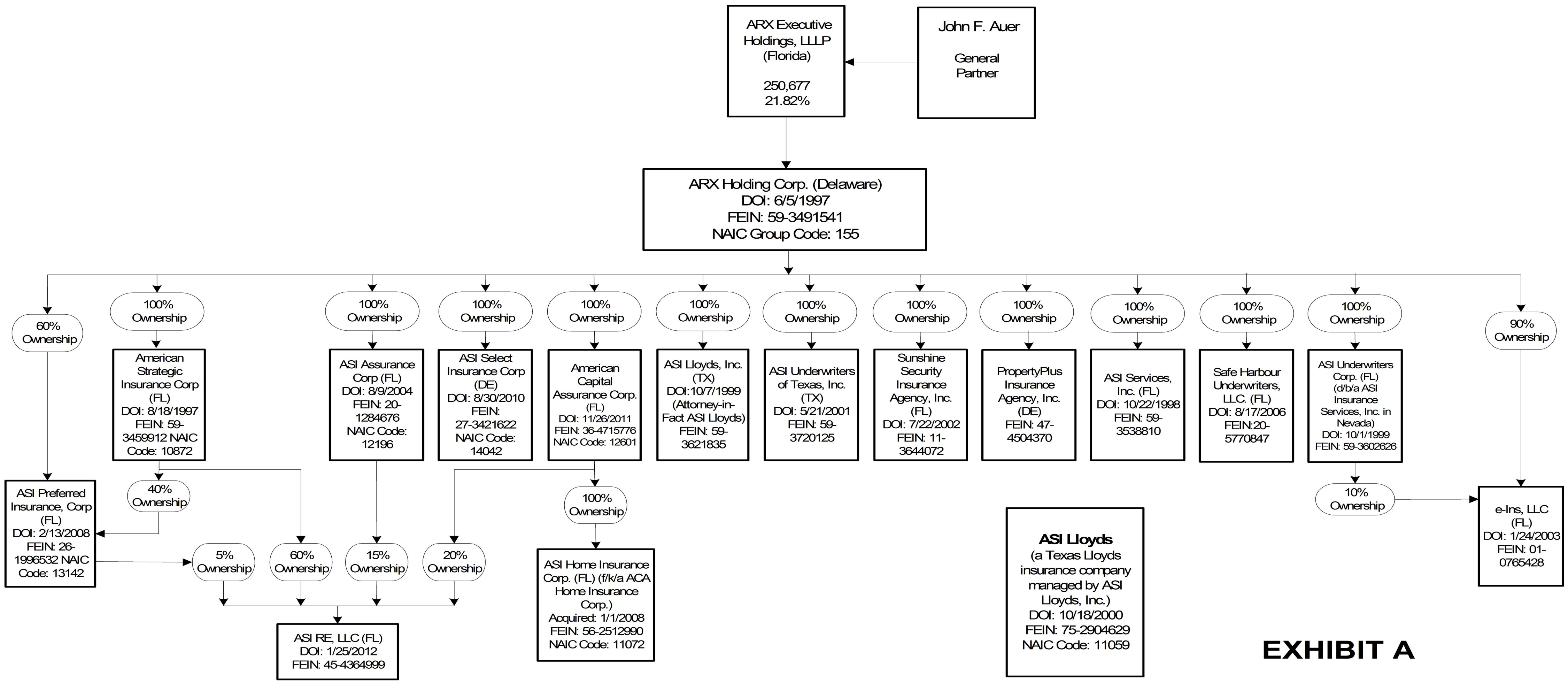
SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 – ORGANIZATIONAL CHART



SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 – ORGANIZATIONAL CHART



2015 ALPHABETICAL INDEX -- PROPERTY & CASUALTY ANNUAL STATEMENT BLANK